





# After 46 Years, Britain Exonerates a Man Who Was Hanged

By Sarah Lyall  
New York Times Service

LONDON — For 46 years the relatives of Derek Bentley, hanged at 19 for his role in the murder of a police officer, told anyone who would listen that he was the victim of a terrible miscarriage of justice.

They went to Parliament looking for the support of legislators.

They went to Speakers' Corner in Hyde Park in London and pleaded their case before the gathered crowds.

They went to documentary filmmakers, reporters and crusading book authors. And year after year they went to the British government, asking for help, and were turned away.

On Thursday, the Bentley family and what had become a passionate network of supporters finally got what they had fought for. Britain's highest court overturned the conviction against Mr. Bentley, saying that the trial judge had presented such a one-sided account of the case to the jury that Mr. Bentley had been denied "that fair trial which is the birthright of every British citizen."

"It must be a matter of profound and continuing regret that this miscarriage occurred and that the defects we have found were not recognized at the time," the court said.

On the night of Nov. 2, 1952, Mr. Bentley and a 16-year-old friend, Christopher Craig, were confronted by police as they tried to break into a warehouse in south London. While Mr. Bentley, who was prone to seizures and had the mental age of 11, was held by one of the officers, Christopher Craig shot and killed Police Constable Sidney Miles.

Although Mr. Bentley took no part in the killing, three officers testified that he had yelled, "Let him have it, Chris," inciting his friend to fire at Constable Miles.

Despite Mr. Bentley's assertion that he never uttered those words, an assertion that was backed up by Christopher Craig and several other witnesses, he was convicted of murder and hanged in January 1953. Because of his age, Christopher Craig was sent to prison and was released after 10 years.

In its judgment Thursday, written by the chief justice of the Court of Appeal, Lord Bingham, the court found that the language used by the trial judge amounted to a "highly rhetorical and strongly worded denunciation of both defendants and their choices."

Among other things, the court concluded, the trial judge gave far too much weight to the word of the police officers.

"The jury were never fairly invited by the trial judge to consider the points which had been made on the appellant's behalf," the judgment said. "The effect was to deprive him of the protection

which jury trial should have afforded."

The court also said that even if Mr. Bentley had yelled, "Let him have it," the statement was ambiguous. "It could bear an innocent meaning, being an encouragement by the appellant to Craig to hand over his weapon," the ruling said.

The day Mr. Bentley was executed, crowds demonstrated outside Wandsworth Prison, where he was being held, and at the Houses of Parliament. And his 21-year-old sister, Iris, who had already lost two siblings, returned her engagement ring to her fiancé and vowed to spend the rest of her life fighting to clear her brother's name.

In years of campaigning, petitioning and hoping, she achieved a number of hard-won victories. In 1965, Parliament voted to abolish the death penalty, in part because of the country's continued unease over the Bentley case.

In 1968, Mr. Bentley's remains were

removed from a prison graveyard and buried in a grave in a south London cemetery, which Miss Bentley kept covered in flowers and where the headstones read: "Here lies the body of Derek Bentley, a victim of British justice."

The case inspired countless sympathetic books, television documentaries, songs and films, including the 1991 feature film, "Let Him Have It."

And although one home secretary after another turned down Miss Bentley's requests to reopen the case, in 1993 Home Secretary Michael Howard finally granted Mr. Bentley a limited pardon, saying he should not have been put to death.

Last November, the Criminal Cases Review Commission, an independent body set up to re-examine possible miscarriages of justice, finally sent the Bentley case to the Court of Appeal. But the decision was too late for Iris Bentley, who died earlier in 1997 after a long struggle with cancer.

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## BRIEFLY

### Austrians Warned On Beef Products

VIENNA — Austria advised its citizens Friday to avoid beef products until further notice after 80 tons of frozen beef destined for the Italian market were found to be contaminated with a carcinogenic hormone, stilbene.

The consumer affairs minister, Barbara Prammer, said that all beef products, including sausages, should be avoided for a few days.

Fresh meat is not covered by the warning. (Reuters)

### Turks Discussing Anti-Islamic Front

ANKARA — The coalition partners in Turkey's outgoing government are discussing forming an alliance to block the Islam-based Virtue Party at local elections next year, party leaders said in comments published Friday.

Prime Minister Mesut Yilmaz put this issue on the agenda of discussions, according to the newspaper Hurriyet.

Deputy Prime Minister Bulent Ecevit said his Democratic Left Party and Mr. Yilmaz's Motherland Party were considering a single candidate in key cities.

The Islamists swept the last local polls, in 1994, taking Ankara and Istanbul and dozens of other municipalities in their first major electoral success. (Reuters)

### Russia Targets Nazi Propaganda

MOSCOW — The Russian government, alarmed at what it sees as a rise in neo-fascist political tendencies, expects Parliament to ban Nazi symbols and propaganda before the end of August, the justice minister said Friday.

Pavel Krashinsky said that party leaders had already indicated they would enact the bill at a special mid-vacation session. (Reuters)

## Gonzalez Calls Verdict Unfair In Trial Over 'Dirty War'

MADRID — Former Prime Minister Felipe Gonzalez of Spain on Friday described as radically unjust a Supreme Court verdict that found two officials of his government guilty of "dirty war" activities against Basque separatists. He contended that the court had been under pressure from the current conservative government.

In his first public reaction to the verdict Wednesday, Mr. Gonzalez, a Socialist, told the Spanish news agency Europa Press that he would support Jose Luis Barrioquevo, the former interior minister, and Rafael Vera, the former state security chief, until the end.

Asked whether he thought the conservative government of Prime Minister Jose Maria Aznar had pressured the court, Mr. Gonzalez replied: "It's not that I believe it. It's obvious."

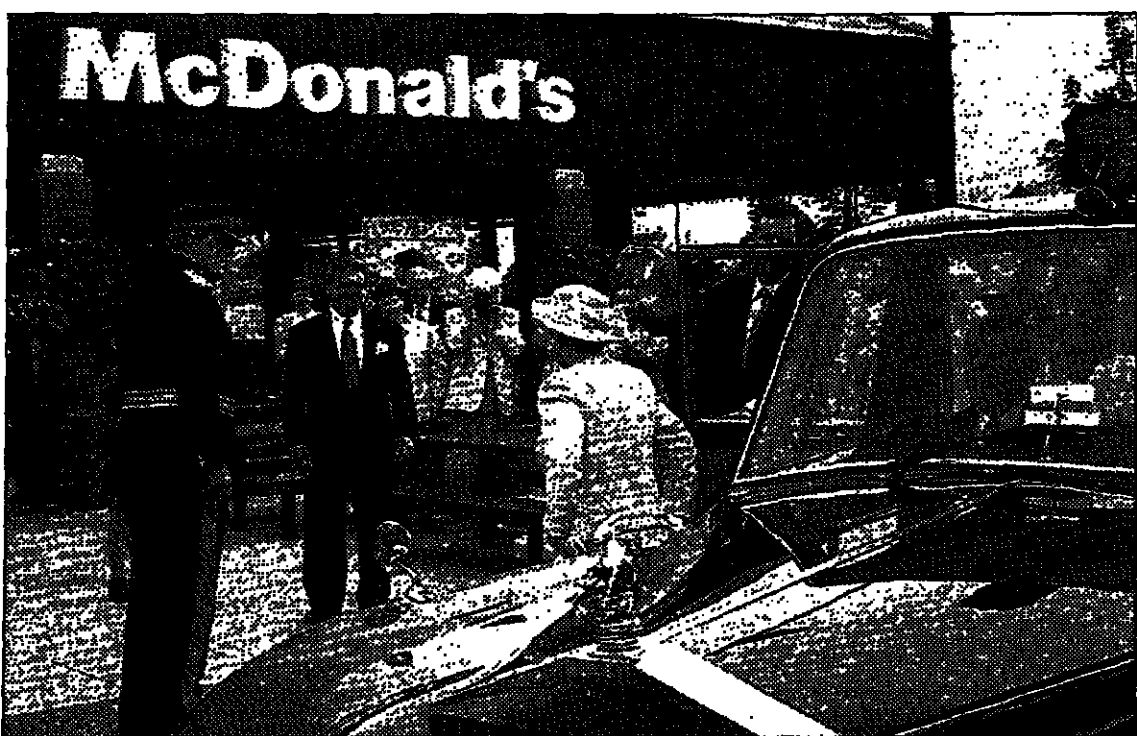
Mr. Barrioquevo and Mr. Vera were both sentenced to 10 years in jail after being found guilty along with 10 others of the 1983 kidnapping of a French businessman who had been mistaken for a hit man from the Basque separatist group ETA. Of the 12 defendants, only Mr. Barrioquevo and Mr. Vera had pleaded not guilty.

The abduction was the first action attributed to the Anti-Terrorist Liberation Group, or GAL, which killed 27 people between 1983 and 1987 in its pursuit of ETA members and sympathizers. Many of its victims turned out to be mistaken targets.

Mr. Gonzalez has long denied allegations that his government, in power for 13 years until it lost elections in 1996, set up and ran the GAL death squads. The scandal and other controversies contributed greatly to the Socialist Party's election defeat.

As a witness during the 22-day trial, which ended July 14, Mr. Gonzalez denied that his governments had had anything to do with the dirty war. He has long contended that members and supporters of Mr. Aznar's government orchestrated a plot to discredit him.

"Why did they do it?" Mr. Gonzalez asked rhetorically during the interview. "Because they believed that was the only way open for them to win. Their policies are based on destruction and elimination of the adversary," he added.



ROYAL WITH CHEESE? — Queen Elizabeth II arriving at a McDonald's restaurant in Elmsmere Port, northern England, on Friday while on a regional tour. The monarch did not stay for dinner.



"Buffalo Bob," whose "Howdy Doody Show" was a hit with baby boomers, holding an original Howdy Doody puppet in 1997.

## 'Buffalo Bob' Smith of 'Howdy Doody' Fame Dies

By Claudia Levy  
Washington Post Service

WASHINGTON — "Buffalo Bob" Smith, whose "The Howdy Doody Show" was a founding program of children's television and must viewing for young baby boomers nationwide, died of cancer Thursday at a hospital in Henderson, North Carolina. He was 80.

"Howdy Doody," which Mr. Smith helped create and sustain for years as a cultural phenomenon, featured a red-haired, freckle-faced marionette in a cowboy outfit. Howdy's lines were spoken by Mr. Smith, who dressed in a cowboy outfit, too, and acted as host.

Mr. Smith, who was born Robert Schmidt, began in radio in his native Buffalo when he was 15. He got his break in show business two years later when he joined the vaudeville act of singer Kate Smith. He played the piano for her and acted as master of ceremonies.

He was doing a Saturday radio program called "The Triple B Ranch" in 1947 when NBC began to look for a children's television program. Mr.

Smith had invented a goofy character named Elmer whose catch phrase, when introduced to children, was: "Well, howdy doody!"

"Howdy Doody" evolved out of Mr. Smith's program, and an early television show called "Puppet Playhouse," which gained attention in New York in 1947 during a blizzard that kept schoolchildren at home and desperate for amusement.

"The Howdy Doody Show" lasted 13 years, finally succumbing to the rivalries of "The Mickey Mouse Club," cartoons and other daytime programming.

But it set several marks: It was the first daytime program broadcast regularly in color and the first mega-hit among elementary school students of the burgeoning postwar generation. "Howdy Doody" scripts, written in large part by Eddie Dean, reflected the innocence of the time, with messages about safety and respect for parents.

It was one of the first television offerings with major and lucrative merchandising ties. Young fans pestered their parents to buy them hundreds of thousands of "Howdy Doody" lunch boxes, wallpaper,

sweat shirts, toys and other merchandise. By the end of 1950, half a million "Howdy Doody" record albums and 15 million comic books had been sold.

Mr. Smith's opening greeting — "Hey, kids; what time is it?" — elicited a daily response — "It's Howdy Doody time!" — from the nearby Peapack Gallery, as the studio audience was known. The youngsters were an integral part of the program, which also featured Clarabell the Clown, Princess Summerfall Winterspring, Phineas T. Bluster, Dilly Dally, Chief Thunderthud, Trapper John and Finbar.

Mr. Smith, who did two radio programs a week in addition to "Howdy Doody," suffered a heart attack in 1954. But the network set up a studio in his basement and he was able to perform from there for a year.

"The Howdy Doody Show" was cut back to Saturdays in 1956 and went off the air four years later, after a record run of 2,343 shows. Mr. Smith, who had sold the rights to the program to NBC in 1951, invested in television stations in Maine, a liquor store and real estate.

He re-emerged as a cultural icon in 1970, when he was asked to speak at the University of Pennsylvania. He was dubious that college students made cynical by the Vietnam War and civil rights protests would be interested in him anymore. "I thought they were joking," he told interviewers.

But he was greeted with an emotional outpouring of affection by a packed auditorium. It was good, he later said, "to know that they want to relive their happy, carefree days."

After that, Mr. Smith was a regular on the college lecture circuit and, later, at shopping mall shows and nostalgia conventions. He taped 130 new "Howdy Doody" programs for syndication, but the show failed to catch on with the children of baby boomers.

Mr. Smith later sold illustrations of the QVC shopping network and occasionally starred in commercials. His book of memoirs, "Howdy and Me," was published in 1991. He was warm in his praise of "Sesame Street."

Aging fans now trade "Howdy Doody" memorabilia that has grown increasingly pricey, and the original trappings of the show were sold at auction by a prestigious firm.

## French Probe Crash Of Planes Off Coast

Agence France-Presse

QUIBERON, France — Prosecutors opened a manslaughter inquiry Friday into an air collision and crash into the sea of two French aircraft off Brittany in which 15 people are believed to have died.

Seven bodies were found late Thursday shortly after the collision of a Beechcraft 1900 regional passenger plane of the Proteus airline and a Cessna of the Vannes Air Club.

Searches were under way for eight others presumed killed after the aircraft plunged into the Atlantic 10 kilometers (six miles) from this coastal town.

The Beechcraft evidently deviated from its flight path to give passengers a look at the cruise ship Norway, formerly the France, which was in the area.

Four helicopters, diving teams and a navy plane resumed the search early Friday after a coast guard vessel spent the night searching the area.

The investigators will interview witnesses who were aboard a boat and two planes in the vicinity.

They will also study air-traffic recordings at the western towns of Lorient and Brest, and also at Lyon, the departure point of the Beechcraft.

## Charles Tillinghast Jr. Is Dead; Lawyer Was Chairman of TWA

New York Times Service

NEW YORK — Charles Tillinghast Jr., a lawyer, businessman and investment banker who was chairman of Trans World Airlines and a chancellor of Brown University, died of heart disease July 25 at his summer home in Little Compton, Rhode Island. He was 87.

Mr. Tillinghast built his career as a partner at the New York law firm of Hughes, Hubbard, Blair & Reed. He went on to play a leading role at some of America's best-known companies, including Bendix Corp., TWA and Merrill Lynch.

As TWA's chairman, Mr. Tillinghast steered the airline through the oil shock of 1973-74, winning credit for saving the airline from a disastrous combination of fast-rising fuel prices and falling ticket sales.

Sir David Hunt, 84, Author Of 'Winds of Change' Speech

LONDON — Sir David Hunt, a former private secretary to Prime Ministers Winston Churchill and Clement Attlee and a former ambassador, died Thursday at the age of 84, his family said.

In 1960, Sir David accompanied Prime Minister Harold Macmillan on an African tour and wrote the prime minister's famous "winds of change" speech, delivered to the South African Parliament. After serving as ambassador to Brazil between 1969 and 1973, Sir David retired from the diplomatic service and wrote scholarly books and articles on art history.

He published an autobiography in 1975.

Asa Takii of Hiroshima, 114, Oldest Person in Japan

TOKYO — The oldest person in Japan, Asa Takii, died Friday. She was 114. She was born on April 28, 1884, in Hiroshima. She was there on Aug. 6, 1945, when the atomic bomb killed her husband and family and buried her in rubble until she was found days later.

She died of heart complications in a nursing home in Hiroshima prefecture.

The Japanese have the world's longest life expectancy: 83 years for women and 77 years for men, according to the Health and Welfare Ministry.

## WEATHER

Europe				Forecast for Sunday through Tuesday, as provided by AccuWeather.				Asia			
City	Today	High	Low	City	Today	High	Low	City	Today	High	Low
Algeria	20/22	18/24	16/20	Amsterdam	20/22	18/24	16/20	Almaty	20/22	18/24	16/20
Ankara	20/22	18/24	16/20	Athens	20/22	18/24	16/20	Bangkok	20/22	18/24	16/20
Antwerp	20/22	18/24	16/20	Berlin	20/22	18/24	16/20	Beijing	20/22	18/24	16/20
Birmingham	20/22	18/24	16/20	Bombay	20/22	18/24	16/20	Bombay	20/22	18/24	16/20
Bombay	20/22	18/24	16/20	Buenos Aires	20/22	18/24	16/20	Buenos Aires	20/22	18/24	16/20
Buenos Aires	20/22	18/24	16/20	Calcutta	20/22	18/24	16/20	Calcutta	20/22	18/24	16/20
Calcutta	20/22	18/24	16/20	Cardiff	20/22	18/24	16/20	Cardiff	20/22	18/24	16/20
Cardiff	20/22	18/24	16/20	Chennai	20/22	18/24	16/20	Chennai	20/22	18/24	16/20
Chennai	20/22	18/24	16/20	Cairo	20/22	18/24	16/20	Cairo	20/22	18/24	16/20
Cairo	20/22	18/24	16/20	Cebu	20/22	18/24	16/20	Cebu	20/22	18/24	16/20
Cebu	20/22	18/24	16/20	Dakar	20/22	18/24	16/20	Dakar	20/22	18/24	16/20
Dakar	20/22	18/24	16/20	Dhaka	20/22	18/24	16/20	Dhaka	20/22	18/24	16/20
Dhaka	20/22	18/24	16/20	Dresden	20/22	18/24	16/20	Dresden	20/22	18/24	16/20
Dresden	20/22	18/24	16/20	Guangzhou	20/22	18/24	16/20	Guangzhou	20/22	18/24	16/20
Guangzhou	20/22	18/24	16/20	Hankou	20/22	18/24	16/20	Hankou	20/22	18/24	16/20
Hankou	20/22	18/24	16/20	Hong Kong	20/22	18/24	16/20	Hong Kong	20/22	18/24	16/20
Hong Kong	20/22	18/24	16/20	Kobe	20/22	18/24	16/20	Kobe	20/22	18/24	16/20
Kobe	20/22	18/24	16/20	London	20/22	18/24	16/20	London	20/22	18/24	16/20
London	20/22	18/24	16/20	Los Angeles	20/22	18/24	16/20	Los Angeles	20/22	18/24	16/20
Los Angeles	20/22	18/24	16/20	Manila	20/22	18/24	16/20	Manila	20/22	18/24	16/20
Manila	20/22	18/24	16/20	Moscow	20/22	18/24	16/20	Moscow	20/22	18/24	16/20
Moscow	20/22	18/24	16/20	Myanmar	20/22	18/24	16/20	Myanmar	20/22	18/24	16/20
Myanmar	20/22	18/24	16/20	Nairobi	20/22	18/24	16/20	Nairobi	20/22	18/24	16/20
Nairobi	20/22	18/24	16/20	Osaka	20/22	18/24	16/20	Osaka	20/22	18/24	16/20
Osaka	20/22	18/24	16/20	Paris	20/22	18/24	16/20	Paris	20/22	18/24	16/20
Paris	20/22	18/24	16/20	Perth	20/22	18/24	16/20	Perth	20/22	18/24	16/20
Perth	20/22	18/24	16/20	Rangoon	20/22	18/24	16/20	Rangoon	20/22	18/24	16/20
Rangoon	20/22	18/24	16/20	San Francisco	20/22	18/24	16/20	San Francisco	20/22	18/24	16/20
San Francisco	20/22	18/24	16/20	Seoul	20/22	18/24	16/20	Seoul	20/22	18/24	16/20
Seoul	20/22	18/24	16/20	Singapore	20/22	18/24	16/20	Singapore	20/22	18/24	16/20
Singapore	20/22	18/24	16/20	Taipei	20/22	18/24	16/20	Taipei	20/22	18/24	16/20
Taipei	20/22	18/24	16/20	Tokyo	20/22	18/24	16/20	Tokyo	20/22	18/24	16/20
Tokyo	20/22	18/24	16/20	Ulaanbaatar	20/22	18/24	16/20	Ulaanbaatar	20/22	18/24	16/20
Ulaanbaatar	20/22	18/24	16/20	Yokohama	20/22	18/24	16/20	Yokohama	20/22	18/24	16/20
Yokohama	20/22	18/24	16/20								

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# Lewinsky Dress Offered as Evidence

## FBI Test Sought to Determine if There Is DNA Link to Clinton

By Don Van Natta Jr.  
and John M. Broder  
New York Times Service

WASHINGTON — Prosecutors are seeking genetic tests on a dress belonging to Monica Lewinsky that, she has said, contains evidence of a sexual encounter with President Bill Clinton, lawyers close to the case say.

Ms. Lewinsky turned the dress over to the office of the Whitewater independent counsel, Kenneth Starr, on Wednesday, the lawyers said. It had been stored for several months in the New York apartment of Ms. Lewinsky's mother, Marcia Lewis.

This could put the mother in jeopardy of an obstruction-of-justice charge for concealing evidence that the prosecutors had sought during a search of Ms. Lewinsky's apartment in Washington.

[President Clinton] pledged Friday to testify "completely and truthfully" in the Monica Lewinsky investigation, The Associated Press reported from Washington.

"No one wants to get this matter behind us more than I do, except maybe all the rest of the American people," Mr. Clinton said at a Rose Garden ceremony. "I am looking forward to the opportunity in the next few days of testifying."

"I will do so completely and truthfully. I am anxious to do it. But I hope you can understand why in the interim I can and should have no further comment on these matters."

Ms. Lewinsky and her mother were given broad grants of immunity from the prosecution this week in exchange for providing full accounts of Ms. Lewinsky's relationship with the president.

They also agreed to turn over evidence, including the dress, and answering-machine tapes containing messages to Ms. Lewinsky left by the president, the lawyers said.

The messages were innocuous, said a lawyer who had heard them. In one, just before Christmas last year, the president told Ms. Lewinsky that the brother of his private secretary, Betty Currie, had died. In another, the lawyer said, Mr. Clinton remarked, "Hey, it's me. Sorry I missed you."

The president has maintained a resolute silence on the Lewinsky matter since late January, when he firmly denied having had "sexual relations" with Ms. Lewinsky and said he had not told anyone to lie under oath.

The president's decision to submit to grand jury questioning, which was announced Wednesday, came after numerous requests from Mr. Starr over

several months, culminating in a subpoena issued July 17.

Many of the president's advisers urged him to resist or ignore the subpoena, but he decided that giving testimony now was the quickest way to conclude the investigation.

Ms. Lewinsky's dress is expected to be sent to an FBI laboratory for DNA testing to determine whether there is a stain from Mr. Clinton's semen, as Ms. Lewinsky asserts, according to lawyers.

Michael McCurry, the White House spokesman, said Mr. Clinton had no intention of speaking to the news media or to the public in any detail in the next two weeks about his relationship with Ms. Lewinsky or about any of the other questions arising from the months-long perjury and obstruction-of-justice investigation being conducted by Mr. Starr.

Prosecutors first learned of the existence of a dress that might be evidence in the case from tape recordings surreptitiously made by Linda Tripp of conversations with Ms. Lewinsky, according to a lawyer with knowledge of the tapes.

It is not known whether Ms. Lewinsky laundered the dress before turning it over to her mother.

If semen is found on the dress, prosecutors would then probably seek a saliva or blood sample from the president to determine a DNA match.

The tests are extremely reliable, according to prosecutors and defense lawyers who use DNA testing in trials. Such a stain would retain DNA material for many years, unless the dress had been cleaned with detergents, experts said.

Dry cleaning alone would not remove it nor would storage under unfavorable conditions, they said.

With modern instruments and computers, matching could be completed in a matter of days, said Barry Schick, a prominent New York defense lawyer and an expert on genetic testing.

Mr. Schick served as a consultant in the O. J. Simpson murder case.

"If there is no sperm on the dress, that's the end of the hysteria," Mr. Schick said. "If there is, there is no legal basis for the president to resist giving a DNA sample, a simple swab from the inside his cheek."

Keeping the results secret until Mr. Clinton's Aug. 17 testimony — a way to set a "perjury trap" — would be unfair to Mr. Clinton and bad for the nation as well, Mr. Schick said.

Mr. Starr, stung by accusations that his office had leaked sensitive grand jury material to the media, issued a two-sentence statement Thursday, with Ms. Lewinsky's lawyers, denying they were the source of news accounts this week about Ms. Lewinsky's proposed testimony.

It has been reported that Ms. Lewinsky told members of the independent counsel's office that she did have a sexual relationship with President Clinton.

Both had denied this under oath in testimony for the sexual harassment lawsuit filed against Mr. Clinton by Paula Jones, a state employee in Arkansas.

It was also disclosed that Ms. Lewinsky was willing to testify that she and Mr. Clinton had agreed to deny a sexual relationship.

**Jones Seeks to Revive Case**

Paula Jones pleaded Friday with a federal appeals court to restore "fundamental principles of decency, humanity and respect for the law" by reinstating her sexual harassment lawsuit against President Clinton. The Associated Press reported from Little Rock, Arkansas.

In an appeal prepared for the 8th U.S. Circuit Court of Appeals at St. Louis, her lawyers also asked that they be allowed to pursue evidence that Mr. Clinton had a sexual relationship with Ms. Lewinsky.

"Mr. Clinton's behavior toward Ms. Lewinsky is evidence of his habit of making aggressive sexual advances to young, low-ranking employees (those who were most vulnerable and easily exploited)," Mrs. Jones' lawyers wrote.

## Consensus: 'Forget It'

### Most Americans Suppose Clinton Is Lying, But Few Are Ready to Cast the First Stone

By Lynda Gorov  
The Boston Globe

LOS ANGELES — As people around America see it, anyone in Bill Clinton's position would have lied, even under oath.

Most believe that the former White House intern Monica Lewinsky and the occupant of the Oval Office had sexual contact. They also believe that Mr. Clinton responded as any guilty husband and father might.

He lied, they said. Maybe he told her to lie, too. That's unfortunate, they said, even offensive.

But few of the dozens of men and women, Republicans and Democrats, interviewed for this article said Mr. Clinton should face impeachment for lying in response to a question he ought not to have been asked in the first place.

Damon Young, the music director of a Los Angeles radio station, said: "He's done some good for the country, and if he did something with this woman, then that's his business. He should be judged on the things he's done as a professional and not what happens on the side."

That isn't to say that every voter thought Mr. Clinton ought to go unpunished.

"It bothers me that our nation is not more concerned with the morality of our leaders," said Joann Creamer of Arlington, Texas. "People think if he's handling the country, it's OK. But if you don't have moral character in small decisions, you don't in big decisions either."

Most people, however, were more ambivalent about the influence of Mr. Clinton's personal character on public issues.

"He's a terrific diplomat," said Anthony Papandrea, a butcher in Brooklyn, New York. "As good as he snows women, he snows other politicians. He's one of those men who have that charisma where, no matter how this turns out, people will like him."

He added: "Think about Nixon and Watergate. That was breaking and entering. This is about infidelity to your wife. Totally different."

Most people were inclined to believe Ms. Lewinsky's account of her alleged liaison with Mr. Clinton, saying too many women have come forward too many times for all of them to be dismissed as liars.

"I'm something of an expert on cheating husbands, having had three myself," said Monica Williams, a bartender from Kissimmee, Florida.

"Let me tell you something. If a man is innocent, he can prove it, and that's what he's going to do, right from the start, because he knows he has to. If he says it's his word against hers, he's a dog, and that's all there is to it."

**President Still Popular**

Two new polls indicate that most Americans approve of Mr. Clinton's job performance and of his decision to testify in the grand jury investigation. The Associated Press reported on Friday from Washington.

Eighty-five percent of those polled by ABC News said they approved of the president's decision to testify.

Mr. Clinton's approval rating was 64 percent in a Wall Street Journal/NBC News poll and 65 percent in the ABC News poll.

His approval ratings have been high for several months, but the Journal/NBC poll showed some erosion of that support.

The poll showed an increase in the number of people who believed impeachment hearings would be warranted if Mr. Starr reported that Mr. Clinton committed perjury.

Forty-five percent of the respondents said impeachment proceedings would be appropriate in case of perjury.

Only 39 percent said that a month ago.

The Journal/NBC telephone survey of 1,006 adults had a margin of error of 3 percentage points.

## BOOKS

### GAIN

By Richard Powers. 353 pages. \$25.  
Farrar Straus Giroux.

Reviewed by Thomas M. Disch

RICHARD POWERS'S powerful and peculiar novel, "Gain," is the largest compliment any author has paid to the American reading public in decades, for the author assumes that we will take in his meaning, which is large, elusive and mortifying, without his offering a word of explanation.

Whoever will write students' Cliff's Notes for this book, sometime in the 21st century, will have their work cut out for him, or her, because the author, though always lucid and straightforward, has delivered a sealed verdict. These are the facts, Powers seems to say, presenting two mighty mounds of evidence: You must interpret them.

The first mound is a chronicle of the slow death by ovarian cancer of an American Everywoman, Laura Bodey of Laceywood, Illinois, from the first test results to the moment her disposable camera is jettisoned by the nurse's aide cleaning out her bedside drawer.

As a photorealist documentation of a normative contemporary death, "Gain" has no rivals this side of Tolstoy's "The Death of Ivan Ilych." Every twitch and twinge of Laura's death is set forth in unsparing and luminous detail. Any reader will wish to die with similar stoic grace.

The other half of the book is an account, spanning two centuries, of the birth and proliferating growth of the Clare Corp., as its founder Jephthah Clare parlayed a cargo of Wedgwood stoneware into a multinational corporation that will come to market, among other products, Viva-cleanser, Clarity Fore Purifier, Blue Spruce Vapogard, Sterisol, Infimistik, Gastrel Caps, and Parifist Non-Dart Treats.

The economic history of "Clare Material Solutions" — one of its many

corporate aliases — is imagined with such density of telling detail that this strand of the novel would make an excellent supplement to any course in the economic history of corporate America. Neither Marxist vituperation nor Chamber of Commerce hype, this is Big Business as rendered by the Recording Angel, lucidly, with a cool respect.

Readers expecting, as I did, that the twin will meet somewhere close to the denouement — and that Laura's cancer will be shown to have its sources in the ecological ravages wrought by the pharmaceutical Leviathan — are in for a surprise. Or, rather, for none at all. Laura does finally consent to take a ticket in the lottery of a class-action lawsuit brought by residents of Laceywood against Clare Inc., but there is no big courtroom scene, no showdown of any sort. Laura's attitude is summed up in one paragraph of world-weary wisdom when her loving ex urges her to get what is "due" her:

"She is due nothing. No more than anyone else with a body. No more than anyone who will get sick, which is everyone. As bad as she had it, millions will have it worse. She is on her own. She has always been on her own. And anyone who promises otherwise is selling a bill of goods."

This is not the world according to John Grisham or even E.L. Doctorow, where justice can triumph against the odds and Goliath corporations are zapped by an underdog David. Powers refuses to load his dice to favor innocence and virtue. Laura's suffering as she soldiers through her prescribed regimen of chemotherapy is evoked in unsparing detail, but it is not blamed on Big Medicine.

All the misery in the book is just part of daily life and death, and the moments of transcendence, while often spectacularly beautiful, are just that — moments. This is an attitude more often found in poetry than in novels, where

plots are designed so as to give us some sense of dramatic closure, resolution, justice.

What Powers offers, instead, is pragmatism, which is the Greek root of "pragmatics," which means "the branch of semiotics dealing with signs and symbols."

Pragmatism was the theme of the first great novel in English literature, "Robinson Crusoe," and it has been a standby of such novelists as Arthur Hailey and James Michener, who show us how the world works and how its units mesh together. But it has seldom been the territory staked out by authors such as Powers, who is as serious a contender for highbrow laurels as any novelist on the present scene.

Powers stints somewhat on drama but makes up for it in passages of epic scope — some as brief as the paragraph that inventories the eight distinct aromas Laura detects in her bedroom after a long absence in the hospital, others of Tolstoyan heft such as the concluding set piece that is a hymn of praise to the disposable camera and the manufacturing infrastructure that makes it possible, which Powers sums up with just a twilight glow of weltanschauung:

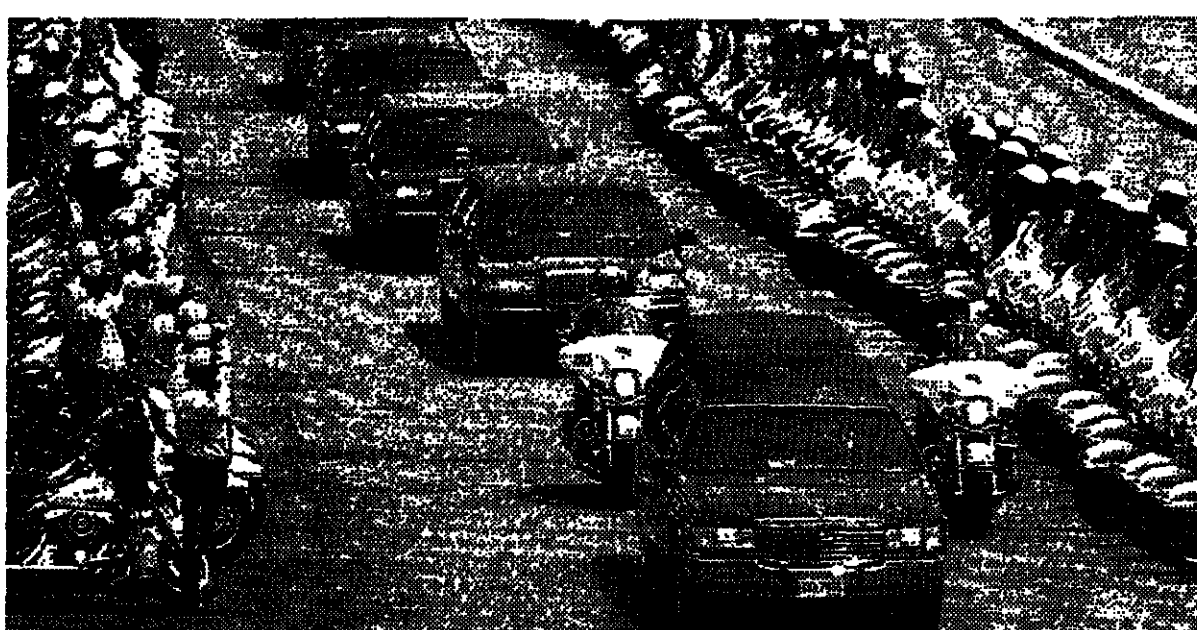
"As mundane as any breakthrough that seemed our whole salvation once. A disposable miracle, no less than the least of us."

Thomas M. Disch, whose most recent book is "The Dreams Our Stuff Is Made Of," a cultural history of science fiction, wrote this for The Washington Post.

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## POLITICAL NOTES



FAREWELL TO A HERO — A hearse with the body of John Gibson, one of two officers killed by a gunman at the Capitol on July 24, drawing a salute from other officers as it enters Arlington National Cemetery.

## Political Funds Bill Surviving in House

WASHINGTON — Picking up the pace on the campaign finance debate, a majority of the House has voted repeatedly to preserve intact bipartisan legislation to cut back on money in politics.

On Thursday, Representative Christopher Shays, Republican of Connecticut, and Representative Martin Meehan, Democrat of Massachusetts, continued an effort to block 16 of the 37 amendments proposed to their bill. They asserted that the proposals were intended to divide their coalition and drive away supporters.

"Our objective today is to defeat all the poison pills," Mr. Shays said. "We're still alive. This is the bill that won't die. But we're in the middle of a minefield."

The Shays-Meehan legislation would effectively ban unlimited and unregulated contributions to political parties (soft money), which were at the heart of 1996 campaign finance abuses.

## U.S. Seeks to Limit Review of King Case

WASHINGTON — The Justice Department has begun consulting with the family of the Reverend Martin Luther King Jr. over a plan for a limited re-examination of his assassination 30 years ago, department officials said.

The proposal for a sharply restricted inquiry came in response to a request from the civil rights leader's relatives, who sought a national commission to conduct a much broader inquiry.

Ever since Mr. King's widow, Coretta Scott King, met with Attorney General Janet Reno for more than two hours on April 8, the department has been trying to formulate a plan that would satisfy the family without fully reopening a difficult and controversial investigation.

Justice Department officials mentioned areas suitable for renewed inquiry, such as state-of-the-art ballistics tests on the gun and the bullets that killed Mr. King in 1968. (WP)

## Wallace's Condition Serious but Stable

MONTGOMERY, Alabama — Former Governor George Wallace, in a hospital with breathing problems, improved Thursday as doctors continued treating him with oxygen and antibiotics, his son said.

Mr. Wallace, 78, paralyzed from the waist down by a would-be assassin's bullet in 1972 and suffering from Parkinson's disease, was listed as serious but stable in the intensive-care unit of Jackson Hospital. (AP)

## Away From Politics

• If the price of cigarettes were increased by 50 percent, 3.5 million Americans would quit smoking and another 2.4 million would cut back on the number of cigarettes they smoke, according to a study by the Centers for Disease Control and Prevention. (WP)

• Two newborn girls went home with the wrong mothers three years ago in Charlottesville, Virginia, in a switch that authorities are investigating as a deliberate criminal act. The

switch was revealed after one of the girls underwent three genetic tests earlier this month. DNA results proved that the girl whom 30-year-old Paula Johnson has loved and raised since bringing her home from the hospital is not her biological child. (AP)

• A coyote sprang from the woods and attacked a 3-year-old boy on Cape Cod, Massachusetts, as he played on his backyard swingset. He was rescued when his mother kicked and punched the coyote, wrestling her bleeding son from its clutches. The police arrived and shot the animal. (Boston Globe)

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America's Christian and Jewish leaders should set aside their concern for political correctness and relinquish the evasive tactics of the past. Unless they take hold of the fast-deteriorating situation in the Middle-East, Israel's self-inflicted isolation and escalating abrasiveness will lead to further suffering and vindictive bloodshed in what was once the land of milk and honey.

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## Furor in Israel Over Ethnic Slight

### Lawmaker's Insult of Sephardic Jews Rattles Labor Party

By Lee Hockstader  
Washington Post Service

JERUSALEM — Israel, which will celebrate a special Immigration Day next week, is in a full-throated national uproar over a racially loaded remark by a prominent legislator and retired army general.

The remarks had nothing to do with Arabs; rather, they sparked an outcry among Jews.

In a newspaper interview, Ori Orr, a prominent Labor Party member of Parliament, slighted the country's Sephardic Jews — those of North African and Middle Eastern descent, who vote heavily for the rightist Likud party of Prime Minister Benjamin Netanyahu. Singling out Israel's large community of Moroccan Jews, he said they lacked "the curiosity to know what's happening around them and why it happened."

Mr. Orr, who retired from a long career as a highly regarded major general before entering politics, also expressed frustration with Sephardic lawmakers in his own party. "The problem is I can't speak with these people like I speak with others who are more Israeli in their character," he told the newspaper *Ha'aretz* in an article published Wednesday. "They interpret every legitimate criticism as driven by ethnicity."

Mr. Orr's comments touched off a crisis in the Labor Party, which fears it will never win back the Sephardic votes it badly needs to

challenge Mr. Netanyahu's coalition. The comments also exacerbated one of Israel's most debilitating rifts — between Jews of Central European origin, such as Mr. Orr, and the generally poorer, less-educated community of Sephardic Jews, who represent about half of Israel's Jewish population.

It is difficult to overstate how explosive the remarks were in a country where friction and hard feelings between the two groups is never far beneath the surface. For the first three decades of Israel's existence as a state, the Labor Party ruled the country as a kind of paternalistic fiefdom, and Sephardic Jews' resentment at what they felt was Labor's condescension and disdain has simmered ever since.

In 1977, the votes of Sephardic Jews were the key factor in toppling Labor and inaugurating Israel's first rightist government, and it has remained a crucial component in the Likud Party's electoral successes.

A year ago, the Labor Party leader, Ehud Barak, tried to undo the damage with an extraordinary apology to Sephardic Jews. At the party's annual convention, he begged forgiveness for their "suffering and pain." But the apology had no apparent effect in winning over Sephardic Jews to the Labor Party, as Mr. Orr noted in his interview.

"Everything we've done for them hasn't helped," he said. "The fact that we raised the level of education and reduced poverty

and created a momentum of development and advanced the weaker classes — that doesn't mean anything to them."

With most of his colleagues demanding his resignation from Parliament, Mr. Orr offered Thursday night to remove himself from the Labor Party, Israeli radio said. In a crisis atmosphere, Labor lawmakers, including Mr. Orr, met in private late into the night to discuss ways to contain the damage.

In a brief news conference Wednesday, Mr. Orr apologized for his comments, insisting he was not a racist but acknowledging, "I stumbled, and I am sorry about it."

Mr. Netanyahu had a field day with the comments, using them to divert attention from his own crumbling political support, the frozen Middle East peace process and soaring unemployment. Fifty years after Israel's founding, he said, "this evil speech is tearing people apart, sowing alienation and division. No one has the right to do this. Our very existence depends on our ability to unite as a people."

One subplot of the drama was the intense pressure on Mr. Barak, who was apparently torn between the survival of his party and his personal loyalty to Mr. Orr, a former commander-in-chief of the army and one of Israel's most decorated warriors. Mr. Barak has been a friend of Mr. Orr's for 30 years and had made him a top Labor Party official.

Mr. Barak was reported to have stripped Mr. Orr of his party lead-



Ori Orr apologized, but the damage had already been done.

ership posts and his assignment to the parliamentary Security and Foreign Affairs Committee.

Analysts said Mr. Orr's comments may have the effect of making permanent the Sephardic Jews' loyalty to the Israeli right.

The hue and cry over Mr. Orr's comments obscured his own solid reputation as a career military officer and a well-regarded legislator. Victor Lavi, a Moroccan-born Israeli who is chairman of the economics department at Hebrew University, served in the army under Mr. Orr in the late 1960s and spoke admiringly of his leadership.

"He was a very decent, very nice person and human being, humane and able to connect with everybody from bottom to the top," he said. "He was able to discuss with every soldier his personal problems, never let you feel he was above you and never discriminated among the soldiers."

## Beijing's Ex-Mayor Gets 16-Year Prison Term

By John Pomfret  
Washington Post Service

BEIJING — China on Friday sentenced the former mayor and Communist Party secretary of Beijing, Chen Xitong, to a 16-year prison term for corruption and dereliction of duty. He is the highest ranking Communist Party official to be publicly convicted of corruption since the founding of Communist China in 1949.

The official Xinhua news agency said the Beijing Municipal People's Court issued the verdict Friday morning after a secret trial, which it said was justified under Chinese law in cases "involving state secrets or individual privacy."

Mr. Chen has already spent about three years in government custody. The court also ruled that "the bribes Mr. Chen accepted should be confiscated and handed over to the State Treasury," the news agency said in an unusually detailed report about China's normally secretive judicial process.

China's president, Jiang Zemin, has made anti-corruption efforts a centerpiece of his rule, but until recently there had been few signs that he was willing to take concrete steps to attack widespread government bribe-taking.

Last week, in another move designed to counter smuggling and corruption, Mr. Jiang ordered China's military to cut its ties to the thousands of commercial enterprises — such as hotels, dance halls and bowling alleys — that it has established since the 1980s. The military is considered one of the biggest smugglers in China; its

trucks and cars are free from normal police checks.

Mr. Chen is believed to have been the kingpin of a graft and embezzlement ring that skimmed as much as \$2 billion from government coffers and foreign and Chinese businessmen from 1987 to 1995 when he ruled Beijing, first as mayor and then party secretary.

The capital's graft scandal broke in April 1995, when the deputy mayor, Wang Baosen, committed suicide as central government investigators closed in on him.

Within months, at least 45 people had fallen into the government's dragnet, including Mr. Chen's son, Chen Xiaotang; Mr. Chen's secretary, Chen Jian; and Zhou Beifang, the son of the influential head of the Capital Iron and Steel Works, who was sentenced last year to a suspended

death sentence for corruption.

Chen Xiaotang, who apparently specialized in charging foreign businessmen extortionate sums to meet with high-ranking Beijing officials, in April was sentenced to 12 years in prison for accepting bribes and embezzling government funds. Chen Jian got 15 years for corruption.

Chen Xitong's arrest, his expulsion from the Communist Party and subsequent trial on corruption charges are believed to have been personally approved by Mr. Jiang.

Some Chinese officials have grumbled that the real motivation behind the case was not so much Mr. Chen's corruption but his failure to cultivate good relations with Mr. Jiang, who became China's president in late 1989 and never established good ties with the Chinese capital's strongman.

## BRIEFLY

### U.S. Asks Annan To Pressure Burma

RANGOON — The United States and Australia asked the United Nations secretary-general, Kofi Annan, on Friday to push Burma's military to begin a dialogue with the opposition leader Daw Aung San Suu Kyi as state media accused her of being a trouble-making foreign agent.

Secretary of State Madeleine Albright said that the two countries had asked Mr. Annan to personally intervene in Burma after the military forcibly ended a sit-in protest by the Nobel peace laureate, Mrs. Albright said that Mr. Annan agreed to "take a very careful look" at the proposal and talk with her and Foreign Minister Alexander Downer of Australia again shortly.

The government statement said Burma would not be ready to meet Daw Aung San Suu Kyi's demand for freedom to exercise political rights until the unity of the 135 ethnic groups in the nation became stronger and people's basic needs were met.

"It is unrealistic for other nations to force Myanmar to be at par with them in giving their citizens political rights," the statement said.

In Rangoon, The New Light of Myanmar accused Daw Aung San Suu Kyi of being paid by Britain and the United States to destroy the country with her campaigns.

She was forcibly removed from her car on Wednesday night by security men at a bridge near a village in the outskirts of Rangoon and sent back to her home. (Reuters)

### American in Peru Gets No New Trial

LIMA — An American woman who was sentenced to life in prison for treason by a hooded military judge will not receive a new trial as U.S. officials had requested, Peru's military said.

U.S. officials have asked Peru to retry Lori Berenson, 28, of New York, who was convicted on Jan. 11, 1996, of helping leftist Tupac Amaru Revolutionary Movement rebels to plan a thwarted assault on Peru's Congress. (AP)

### For the Record

President Fidel Castro of Cuba told a rally of thousands of Jamaicans in Kingston that almost four decades of U.S. trade sanctions were aimed at trying to starve Cuban children to death. (AP)

## India-Pakistan Meeting Ends in Failure

By John F. Burns  
New York Times Service

COLOMBO — A bid to open regular talks between India and Pakistan on nuclear weapons, Kashmir and other divisive issues collapsed in acrimony Friday, with the two countries accusing each other of setting conditions that made a sustained dialogue impossible.

The failure to agree on terms for the talks came 48 hours after the two prime ministers, Atal Bihari Vajpayee of India and Mian Nawaz Sharif of Pakistan, met briefly during a regional summit conference in the Sri Lankan capital, their first encounter since both nations conducted nuclear tests in May. The meeting, said by aides to both leaders to have been stiff and unsympathetic, ended with instructions to their officials to discuss terms for reopening diplomatic talks.

But those instructions turned out to have been little more than a diplomatic fig leaf, when the foreign secretaries of the two countries, the top bureaucrats in their respective foreign ministries, announced Friday that they had ended three rounds of discussions here without breaking a deadlock over procedures for the talks. The divided territory of Kashmir was the sticking point, as it has been virtually throughout the 50 years since the partition that created the independent states of India and Pakistan.

Officials said Friday that artillery and mortar fire in Kashmir killed scores of Indian and Pakistani civilians and soldiers. The Associated Press reported from Jammu, India.

[They said 52 people were killed on both sides in one of the heaviest exchanges of fire in years along the frontier.]

The two governments pledged to continue diplomatic contacts in the hope of breaking the deadlock, but the language used in announcing the failure of the talks here left little cause for optimism.

Mr. Sharif was particularly blunt, saying in an interview published Friday in *The Island*, a Sri Lankan newspaper, that his meeting with Mr. Vajpayee had accomplished "zero."

Mr. Sharif also said Mr. Vajpayee had rejected Pakistan's demand that new talks between the two countries should focus on Kashmir, which has been divided between India and Pakistan since 1947.

India's position, restated forcefully in a statement Friday, was that putting Kashmir at the center of the talks would only "highlight differences, vitiate the atmosphere, and, therefore, likely disrupt and jeopardize the entire process."

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## Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Justice Thomas

## Ideas, Not Race

Justice Clarence Thomas unloaded on his critics the other day, twisting the case against him just as he did seven years ago when the Senate was considering his nomination to the Supreme Court. Then he complained he was the target of a "high-tech lynching."

This past week he charged critics with vilifying him because he is a black who does not hold their liberal views. He said he would refuse to have his ideas assigned to him as though he were "an intellectual slave" because he is black. What Justice Thomas seems unable to appreciate is that the issue is not his race but the content of his ideas.

It is no surprise that his staunchly conservative positions on social issues have been denounced by civil rights leaders as damaging to the welfare of minorities. That they happen to come from a black jurist is incidental, though disappointing to many blacks. The fact that he himself benefited from programs that opened up educational opportunities to minorities adds to the resentment. But it is the substance of his views on matters of affirmative action, criminal justice and voting rights that has drawn attack from liberals of all races.

Few, if any, of his critics argue that Justice Thomas should espouse a certain set of beliefs just because he is black. By the same token, he should not expect to be embraced or supported by the black community because of his race. His instinct to turn antagonism toward his ideas into a racial matter is an odd impulse for a man who wants to be judged on his intellect and ideas alone.

Some of the antipathy toward Justice Thomas is the result of his own combative style. During his time as head of the Equal Employment Opportunity Commission, he dismissed mainstream black leaders as whiners, making it clear he had little interest in their views. He has also made it clear that he will not compromise his own political beliefs. That being the case, it is no wonder that many liberal groups have little interest in hearing him state his positions.

Nonetheless, the fact that he was invited to speak before America's largest association of black lawyers shows that he remains an important figure by virtue of his position on the Supreme Court. The speech was received politely, but his impact on American law remains a bitter matter for those who see advances in social policy being steadily eroded.

—THE NEW YORK TIMES

## Rule of Principle

Justice Clarence Thomas has handled with considerable aplomb his latest bout with those who believe his role on the Supreme Court is to represent the interests of an ethnic constituency. In the face of an effort by some members of the National Bar Association — an organization of African-American lawyers — to disavow him as the keynote speaker at the group's national convention in Memphis, Tennessee, Justice Thomas showed up and passionately defended the legitimacy of who he is.

"I have come here today, not in anger or to anger, though my mere presence has been sufficient, obviously, to anger some," he said. "Nor have I come to defend my views, but rather to assert my right to think for myself, to refuse to have my ideas assigned to me as though I was an intellectual slave because I'm black."

Justice Thomas's general approach to the U.S. Constitution is not our own, although he has been a more interesting and thoughtful justice than many of his critics acknowledge. On this matter, however, one can only cheer him on.

The Supreme Court is not a representative body but one that is supposed to rule on the basis of principle. Justice Thomas has no duty to parrot the orthodoxy of affirmative action simply because he is black; his duty is to interpret the law in as neutral a fashion as he can and to apply the law as he sees it as impartially as he can. To ask him to do otherwise is to forsake a court that rules on the basis of principle for a judicial politics of interest-group coalitions.

It is time for Justice Thomas's critics to engage him in a debate on the merits and flaws of his work, instead of on the specious question of whether he is an adequately authentic black justice. It is time to stop judging him on the basis of a standard — the political outcomes of his votes and opinions — so disconnected from the proper motivation of a justice. It is time also to stop assuming that Justice Thomas must be a mere lackey of the court's white conservatives and allow that he represents cogently a worldview in which he believes deeply and has arrived at honestly. Justice Thomas's critics, in other words, should treat him with the respect due a member of the Supreme Court.

—THE WASHINGTON POST

## Trial for Libyans

The passage of time is making it necessary to explore whether the West's demand for justice in the bombing of Pan Am Flight 103 in 1988 can be met short of trial of the two Libyan suspects in the United States or Scotland. The sanctions on air travel to Libya that the United Nations Security Council voted are eroding, and the feeling is widespread that 10 years is a long time.

The United States and Britain, which together lost 270 citizens in the bombing, are considering a plan to try the Libyans in a third country — a face-saving gesture to Colonel Moammar Gadhafi. But the third country would be the Netherlands, and the trial would unfold quickly in a Scottish court set up in The Hague.

The danger here is that Libya would use any sign of American or British compromise to open an endless evasive procedural negotiation that would play on Western impatience in order to weaken Western standards of justice. In a parallel case of airborne terrorism, for instance, France now intends to try Libyan suspects without requiring them to appear in court. Further, it will be left to Libya to administer the French court's sentence — French law does not provide for the death penalty — according to a judicial cooperation agreement the two governments concluded in 1996. Such a trusting example is inconceivable in the United States, it hopes.

Certainly Americans, and especially many families of victims, would prefer a trial on home ground. Some would prefer trial in a court with the death penalty; Scottish law does not provide for this result. But trial in a Scottish court with full Western procedural protections would meet

the basic requirement for justice. It could yet develop that Moammar Gadhafi has no stomach for submitting two of his killers to a venue that lets them be questioned about his own terrorist role. In any event, the United States and Britain would have called his bluff by agreeing to a third-country trial. It could also develop that the Libyan suspects are acquitted. It is a risk worth taking to demonstrate American faith in the rule of law.

—THE WASHINGTON POST

## Other Comment

## Review Special Counsel Law

Clearly, America's independent counsel law needs a careful re-examination when it comes up for renewal in Congress. The nation must have a system for impartial investigation of potential lawbreaking by high government officials, but the Whitewater probe seems to have taken on a life of its own.

It may also be helpful to remember that six months of investigating the Lewinsky affair has brought us Americans right back to where we started, with allegations that the president had sex with Monica Lewinsky and lied about it. We must analyze what damage has been done to the institution of the presidency in the process.

Presidents are not above the law. They must be accountable to the people. But that does not justify creating a permanent institution steeped in politics that makes it possible to bound presidents of either party out of office.

—Los Angeles Times

## Milosevic's Astonishing, and Appalling, Record

By William Pfaff

PARIS — The international community seems as opposed to an independent Kosovo as does Slobodan Milosevic, the appalling president of Yugoslavia.

Or as opposed as Mr. Milosevic seems to be. I offer the qualification because Kosovo's independence would solve basic problems for Mr. Milosevic. The revolt against Serbian rule in Kosovo that he has provoked is unlikely to be defeated, however brutal the measures.

Serbia's forces are not going to be defeated either. But if the rebels can install a continuing, even if limited, insurgency, an impossible situation will have been created for Serbia.

The liberation army that has sprung up, under rather mysterious circumstances, has in recent days made the classic mistake of trying to take and hold towns where regular police and soldiers could defeat it. If the guerrillas have learned their lesson they will return to the tactics of harassment, encirclement, denial and maneuver that are guerrilla strengths.

Even before the current fighting, a tendency to leave the region was reported among Kosovo's Serbian minority, which can see that its future is not bright. There is grumbling inside Serbia about the cost and casualties of trying to put down the rebellion. There is little

enthusiasm about dying for Kosovo.

Losing Kosovo in a manner that could be blamed not only on the insurgents but on the international community's interference and pressures — best of all, a loss that could be blamed on the North Atlantic Treaty Organization and the United States — could actually strengthen Mr. Milosevic's situation.

It would allow him to portray himself as the man who tried to restore Serbian greatness but who was defeated — as so often in Serbia's past, a Serbian nationalist myth would have it — by sinister foreign forces allied with Serbia's enemies.

He already has benefited personally from betraying the Serbian minorities in Croatia and Bosnia-Herzegovina. He incited them to violent resistance against those states. He then walked away from the Krajina Serbs in Croatia and those of the "Republika Srpska" in Bosnia when it became to his advantage to sign the Dayton agreement.

His record is astonishing, and the Serbs' willingness to continue to support him is even more astonishing. He destroyed the multinational Yugoslavia that Tito had preserved, in which the Kosovars enjoyed autonomous status.

He preached Serbian nationalism, and his state television and press diabolized Kosovars, Croats and Muslims.

He terminated Kosovo's autonomy and condemned the nonviolent movement that the Kosovo Albanians created in protest, which merely asked for restored autonomy. His intransigence eventually resulted in the creation of the Kosovo Liberation Army that now fights for Kosovo's independence — or, according to some, for its union with Albania.

He promised a Greater Serbia but may deliver a truncated one.

The outcome of his policies could be Serbia's loss of Kosovo, historically the heartland of the Serbian nation. An effort to create a Greater Albania may follow. That would be a major rival, or threat, to Serbia.

The Serbian majority has supported Mr. Milosevic throughout all of this. Even when peaceful demonstrations in Belgrade against his government seemed last year on the verge of bringing him down, the demonstrators' leaders turned on one another in a struggle for personal power, and Mr. Milosevic won the election that followed.

In April of this year, 97 percent of Serbian voters backed him in a referendum that rejected foreign mediation to solve the Kosovo problem.

The idea of a Greater Albania fright-

ens outside powers because it could come into existence only through merging Kosovo with Albania and annexing the Albanian-populated part of Macedonia. That could be fatal for Macedonia and invite Greek, Bulgarian and even Turkish intervention, with literally incalculable consequences for the region.

The West's rather desperate diplomatic efforts to restart negotiations have run into Mr. Milosevic's rejection of interference and the lack of someone to talk to on the Kosovo side — of someone, that is, who can speak for the liberation army. No one knows who controls it.

The guerrilla army has taken control of the situation away from the non-violent "president" of Kosovo, Ibrahim Rugova, unofficially elected by Kosovars in 1992. Western diplomats hope that the insurgents will be more inclined to talk and compromise after their defeats this past week.

One must hope so. If it now is too late for autonomy to provide a solution (even if it were offered), the West's defense of the Kosovo Albanians may encourage Albanian irredentism. Macedonia and Greece now may be the places where a deteriorating situation has to be stabilized.

International Herald Tribune  
Los Angeles Times Syndicate

U.S. Passivity in the Middle East Is a Recipe for Danger

By Jim Hoagland

WASHINGTON — The Clinton administration struggles to maintain an uneasy status quo in the Middle East, pursuing a strategy that seems more designed to keep problems off Bill Clinton's desk than to get them resolved.

This passivity virtually guarantees that American moral authority and political leadership will be undermined in a region where standing still means sinking quickly into constantly shifting desert sands.

The commitment to muddling through — to keeping unsatisfactory situations from getting worse over the final 29 months of the Clinton presidency — surfaces most clearly in Washington's recent equivocal handling of Libya, Iraq and the Israeli-Palestinian peace talks.

The United States began this decade by taking a strong moral stand against destructive Arab radicalism and nationalism. The policymakers of the Bush administration consciously entered an Arab civil war, ignited by Iraq's invasion of Kuwait, on the side of countries

that would not accept Saddam Hussein's vicious and primitive version of pan-Arabism.

At the same time, Bush & Co. coupled the drive to encourage justice in Arab politics with heavy pressure on the Israeli Likud government of the time and on the Palestinians to negotiate an end to their conflict. The combination of a just war and arm-twisting at the peace table eventually led to the Oslo peace accords.

The gradual descent from grand strategy to a legalistic, flank-covering course of protecting the status quo shows clearly today in the way in which the administration has made keeping economic sanctions in place its primary policy objective in Libya and Iraq.

Earlier pretense of a commitment to changing the regime in Baghdad and making life more difficult for Moammar Gadhafi and for those who give him comfort and material help has been abandoned, in deed if not in word.

Mr. Clinton abandoned military strikes against Iraq in February in large part because of his fear that international reaction would make it impossible to keep the comprehensive sanctions adopted after the invasion of Kuwait.

On Libya the administration is now engaged in legalistic jujitsu over sanctions enacted to punish Colonel Gadhafi for refusing to hand over two suspects in the 1983 bombing of Pan Am Flight 103 over Lockerbie, Scotland.

The State Department has confirmed that it was considering agreeing to Colonel Gadhafi's reported willingness to let the suspects be tried in The Hague, before Scottish judges. A senior official later explained to me that there was no real expectation that such a trial would be held.

"Many people strongly believe Libya is bluffing," the official said. "Our effort to keep sanctions on, or even get them increased, will be strengthened," the official said.

"And those who have been pushing for relief for Gadhafi will be weakened."

The move is Clintonian: clever, and purely tactical. It misses the point of what is happening in Arab political dynamics, which are again sinking toward the lowest common denominator of intimidation and violence.

The absence of a clear American commitment to do more than muddle through on either war or peace is encouraging Egypt, Saudi Arabia and other key nations to seek their own accommodations with regimes and forces that threaten them and oppose any American role in the Middle East.

When President Hosni Mubarak of Egypt flew to Tripoli last month to comfort ailing Colonel Gadhafi (and to build him up in the eyes of the Arab world), the Clinton administration did not oppose this in the UN Security Council or offer any serious criticism. The administration "did not want to seem to be unreasonable" and weaken support for sanctions, the senior official said.

And when a U.S. pilot enforcing the no-fly zone over Iraq fired June 30 on an Iraqi radar site that had locked on allied planes, the Arab League immediately condemned the United States for interfering in Iraq's affairs and threatening civilian life, an accusation for which the organization had not a shred of evidence.

These are signs that the Arab political establishment has come to feel that at a minimum there is no penalty for helping America's declared enemies in the Arab world.

Without a central U.S. commitment to combating actively the most dangerous and destructive political currents in the Arab world, Prime Minister Benjamin Netanyahu's stonewalling on building a durable peace with the Palestinians is wholly predictable.

Tactics and equivocation have their place in diplomacy and strategy. But they also have their cost, as the Clinton White House seems determined to prove in the Middle East.

The Washington Post

Adultery and the Presidency: Putting the Office at Risk

By A.M. Rosenthal

NEW YORK — Twenty-five years ago an editor on The New York Times, decently paid and with a good future, diverted money from the newspaper to himself — less than \$1,000. He did it in a way that made it inevitable that the paper would soon find out.

I was heading the news department. The first words I said to him after I was told were: "What did you do to us?"

You, me, the newsroom. He knew what I meant; we read each other's unhappy eyes. I was saying I had to fire him immediately. Otherwise the paper could no longer operate with assumption of honor — impossible to contemplate.

What has President Bill Clinton done to us, the United States? An adulterer knows all ways that, if discovered, he will

damage his family. Both the act and consequences, in our society, are considered the business of the adulterer and the few people he puts at risk.

But if Bill Clinton committed adultery in the White House, he also committed putting the presidency at risk, selfish risk. That is why it sticks in my own gut.

The presidency does not belong to any president. It is his to guard, not to put in jeopardy or to throw on the table like a one-dollar chip.

Whether Americans in President John F. Kennedy's time cared about presidential adultery, or knew or whether foreign presidents have no worries about sex does not matter. This is America now, not in the

Kennedy era, and we vote only for our own president.

For Mr. Clinton, adultery would knowingly be a particularly grave risk of the presidency, given his pre-White House record and reputation.

Apparently most Americans do not want him to lose the presidency for adultery, even for perjury about adultery. But the risk to the presidency is not any lesser, nor the price to the country. Nobody can be a fully functioning president and also, month after month, a full-time defendant.

The Clinton administration also passes on to future presidents the entirely reasonable fear that the law will deprive them of the confidentiality, and self-confidence, of people close

to them. The restrictions were imposed not by the special prosecutor himself but by the courts that upheld him.

To me, the idea of Secret Service agents having to testify about what they saw or heard is shocking. But there it is, a souvenir of the Clinton era.

I have been trying falteringly to write this column in tenses hinting I believe that perhaps Mr. Clinton might not have done as his accuser is ready to testify. But I am a little embarrassed because I do not believe that at all.

Not jurors are entitled to form opinions about innocence or guilt before any trial. But all these years I have written, edited and believed in innocent until proved guilty, juror or not.

The accuser is a young person with no known accomplishment beyond grabbing hold of the lowest bureaucratic rung. The accused was twice elected president of the United States. Why is it that the American majority, including his supporters, believes her when she says she had sex with him, not him when he denies it?

Because he takes himself with himself throughout his life, as do we all. He has lied before, about his sex life before he became president. I gave him

an easy pass on that, as did the country on Election Day.

But since then he has become a man whose word on matters of world importance is doubted. Naturally he gets no benefit of the doubt on nonglobal matters like adultery.

During his first presidential campaign, for instance, he said he would struggle for oppressed, Chinese and Tibetans. Now he is the world's ace promoter of the Chinese Communist regime, that kills and tortures them.

I had believed that America's trust in its leader would depend, on an ear tuned to the dungeons, not just an eye fixed on the Dow. I was wrong. But maybe the disbelief now in Mr. Clinton's word, in his own country, is a little payoff time from those dungeons. I like thinking so.

Still, I do not long for another president to be driven out of office. And surely I do not know what will come of all this. Maybe, if he has not told the truth, complete truth, he will tell it now, for congressional amnesty? Maybe Monica would testify that it was all an erotic dream? I suppose not.

Not much chance. Probably, we will just live with a dishonored presidency — our cost, for his risk.

The New York Times

Fessing Up, in America and Abroad

By Charles Krauthammer

WASHINGTON — Suh Sang Rok, age 60 and until recently vice chairman of the Sammi Group, a large South Korean conglomerate, is now a busboy at the Schoenbrunn Restaurant in Seoul. When the Sammi Group went bankrupt, reported the Wall Street Journal in April, Mr. Suh held himself responsible. Declaring, "I broke the employees' dreams," he gave up his business suit, laid off his chauffeur and turned down corporate jobs, including an offer to run a restaurant chain, to become a waiter-in-training.

Now that is taking responsibility.

You might write Mr. Suh off as eccentric. But you cannot do the same for Ryutaro Hashimoto, the stolid and now former prime minister of Japan. After suffering defeat in parliamentary elections, he resigned on July 13, declaring, "Everything is my responsibility." And he did not stop there. "The results are attributable to my lack of ability," His farewell? "Thank you for putting up with me for a long time."

We know Mr. Hashimoto cannot run an economy. And he clearly cannot run a campaign. But he's got my vote. Have you ever heard such candor?

Not in America. This is the land of the Twinkie defense, wherein the killer of San Fran-

cisco Mayor George Moscone and Supervisor Harvey Milk claimed extenuation on the grounds that he had been unbalanced by the consumption of too much junk food. (It worked! He got off with manslaughter.)

This is the land of Peter Arnett, star reporter. He lead-reports a TV special and co-signs a magazine article charging American soldiers with war crimes. Then, when the story is exposed as false, he claims he "contributed not one comma" to it. Declaring himself, in essence, not a liar, just a fraud, he escapes with his job.

This is the land of Bill Clinton, whose legacy is a lifetime of truth-bending profligacy free of ever having taken responsibility, and certainly not the fall, for anything. That is left for the Susan McDouglas, the Jim Gury Tuckers, the Lani Guinies.

The American norm is represented by Janet Reno. Testifying on the Waco fiasco that cost 85 mostly innocent lives, she declared that she took full responsibility — with no consequence to her: no resignation, no demotion, not even a reprimand.

It is not like that everywhere. Who can forget the sight of the head of Japan Air Lines bowing humbly, abjectly, before relatives of victims just hours after a JAL crash?

How ironic that on the same day Mr. Hashimoto fell so honorably on his sword, it took an American jury — and 10 years — to finally pin responsibility on Al Sharpton and two other hucksters for defaming a man they had falsely accused of having raped Tawana Brawley. The Brawley story had long ago been exposed as a hoax. Mr. Sharpton not only refused to recant, let alone apologize, but carried his brazen campaign against Steven Pagones right to the end. During that decade of defiance, moreover, Mr. Sharpton's public standing rose, as he was elevated from street agitator to political power broker.

The Sharpton case points out the curious way we Americans make up for our reluctance to fess up: We call in the lawyers. We summon judge and jury. We create special prosecutors by the legion.

The law is a poor substitute for a forthright admission of wrongdoing. But it does expose Sharpton. And it does get us beyond the dodges of "mistakes were made" (Ronald Reagan) or "no controlling legal authority" (Al Gore).

This refusal to brand people forever for their sins is attractively forgiving. And it contributes to the fluidity and dynamism of American life. But it has its dark side. It makes for carelessness, moral carelessness.

Washington Post Writers Group

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Bismarck's Will

PARIS — The "Tribune" says: "Bismarck had no enthusiasm for national unity or popular liberty. His opinion was that statesmanship was a practical business. Sentiment, enthusiasm and ideals had no place in it. Bismarck is in historical importance the greatest figure since the death of Napoleon. Bismarck found Prussia a feeble State and the German States distracted by internal dissensions. He created the strongest empire of modern times. It was the work of one man. He made his own will the strongest individual force in Europe."

1923: No Color Line

PARIS — Tourists in France who publicly voice objections to negroes in restaurants, theatres and dance-halls are warned by a communiqué from the French Foreign Office that they must

not try to draw a color line in France. Colored Deputies protested to M. Poincaré, and the Quai d'Orsay declares that if the incidents are repeated, sanctions will be taken."

1948: A Fatal Flight

PARIS — Yesterday (July 31) was the fourth anniversary of the mysterious disappearance of Antoine de Saint-Exupéry during a reconnaissance flight. His loss was one of the heaviest sustained by French literature. It affected the whole of mankind, for he synthesized the ideal man: thinker, poet, writer, aviator and scientist. Recently a German student wrote a letter to the publisher of Saint-Exupéry's works. As a former chief of staff of the Luftwaffe, he had kept the files in which were recorded all engagements with enemy planes. One report told how a French airplane was shot down July 31, not far from the Corsican coast.

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## ART

# New Focus on Masterpieces

## Museums Rush to Snap Up the Few Remaining

By Soren Melikian  
International Herald Tribune

**N**EW YORK — The race for the last world masterpieces in private hands is gathering momentum. Leading museums on the international scene, increasingly aware that supplies are running out, have never shown such determination to acquire works deemed to fit into the jigsaw puzzle of their art collections. But fearful of pushing prices higher still and anxious not to give ideas to the competition, they say little about the circumstances of their triumphs and even less about costs. Three major acquisitions just made by leading international museums have gone virtually unnoticed.

The Metropolitan Museum of Art in New York alone made a formal announcement, but that did not make much of a difference to the media. Perhaps the subject, a Brussels tapestry woven circa 1500-1504, sounded a bit remote and that is unfair. Never did a tapestry look quite so much like a picture.

"The Triumph of Fame" is composed like one and, more unusually, has the crisp detail of a painting. The winged character holding up the globe of the world in the midst of a crowd of gazing admirers could have stepped out of some Flemish panel from Bruges.

Indeed, the cartoon painted for it is believed by art historians to be from the same hand as a "Pieta" in a Brussels museum. What makes the tapestry even more remarkable is that a royal inventory of 1504 describes it. It was then in the collection of Isabella the Catholic with three others from the same set on the theme of "Triumphs," which have all been traced. "The Triumph of Death" is now hanging in the Renaissance chateau of Azay-le-Rideau, "The Triumph of Love" is in the Louvre and "The Triumph of Time" is known from a photograph taken when it belonged to a Spanish grandee together with the Met tapestry.

When "The Triumph of Fame," owned by Bernard Blom of Paris, was displayed at Blumka's in January this year to celebrate the New York Gallery's grand refurbishing on 72d Street, Thomas Campbell, a recently appointed curator of textiles at the Met,

was galvanized into action. The tapestry is not just a historic gem; it is in quasi-mint condition. It might arguably be called the finest Flemish pictorial tapestry offered in the market since World War II. Yet, until this year, the masterpiece elicited no such rapid response. Published by Blondeel in a catalogue to coincide with the 1996 Paris Biennale, it excited great interest



The Prado's bust of Charles V.

but things went no further. True, not every museum has \$2 million ready — the figure quoted at the Biennale.

But even if the young curator's ardor touched a chord with Blondeel who is himself one of the world's leading connoisseurs on the subject, and probably induced the dealer to make some concession, this year's transaction proves that cash was not the heart of the problem. It was the will to proceed.

Another prompt reaction from an institution long reputed to be slow suggests that the mood has changed in the museum world. It concerns one of the most extraordinary portraits ever carved by a Northern Renaissance artist. The bust of Charles V of Spain shows the emperor as a young man foppishly dressed, the collar of his mantle lightly turned up and his legendary hat with ostrich plumes tilted at a rakish angle. The ruler's expression with his eyes closely set, narrowing slightly in his long oval face and with his lips open as if to spew out cold rage, is unforgettable. But easily overlooked until last year, it would seem.

It then appeared in a Left Bank gallery in Paris, where it certainly did not attract museum attention. The Louvre could have stopped it from leaving France. Did the sight of some damage and restoration inhibit such a reaction? Or was it the anonymity of the sitter, not identified as Charles V? Probably not the latter. The knowledgeable Louvre curators would have recognized the image.

Indifference is the likely answer. That saved the day for Daniel Katz of London who bought it from his Paris colleague, who had no trouble getting an export license. Katz got the remarkable art historian Johannes von Auer, who works for him, to identify the sitter beyond any doubt and published the bust in the catalogue, which came out in April. This time the museum world reacted. The Prado, alerted to the existence of the bust by Katz, expressed interest. Its appearance in the selling show put up by the dealer on his London premises in Jermyn Street, where it opened on June 8, set the wheels rolling. The asking price is believed to have been well under \$400,000.

No details are ever divulged about discussions between museums and dealers, but the Prado curators' diligence was remarkable, for by mid-July Katz reported that the transaction had gone through.

Tenacity of a similar kind, albeit in very different circumstances, was displayed by a third museum, likewise allowing it to make a big catch. Last week, Douglas Drueck, curator of prints and drawings at the Chicago Art Institute, said that his museum had bought "L'Anniversaire," also known as "Hommage a Berlioz," a pastel by Henri Fantin-Latour.

Drawn in 1877 as a tribute to the French composer, "L'Anniversaire" was probably the last important pastel by the artist to remain in private hands. The soft touch of the pastel crayons creates a blur around the edges that superficially evokes Impressionism. But the elaborate composition of figures goes back to an early tradition closer to the Louis XIV age than to Fantin-Latour's own time.

When it appeared on the stand of the Paris dealer Waring Hopkins at the May Fine Art Fair, "L'Anniversaire"



The Brussels "Triumph of Fame" tapestry, circa 1500, which has the crisp detail of a painting.

aroused intense excitement. Before the opening, a leading U.S. institution, whose curator was on the vetting committee, approached Hopkins with a firm offer — the asking price was \$300,000. On the opening night similar offers were made by two private collectors and two other U.S. museums let it be known that they would be interested in opening discussions.

What saved the day for Drueck was his early acquaintance with the pastel and Hopkins's own keenness to have it

enter the Art Institute — the dealer personally considers its vast pastel collection to be the greatest in the world. Drueck first heard about the Fantin-Latour when Hopkins, then working on a big show of 19th and 20th century pastels, asked him if he could recommend anyone with a specific interest in the Fantin-Latour work to write an entry. Drueck, a leading scholar in the subject, volunteered to do it, much to Hopkins's delight. In the event, the art show project was

abandoned, but Drueck did not forget the pastel, nor did Hopkins forget the curator's keenness about it. When the Paris dealer decided to take the pastel to the New York fair, Drueck was the first to hear about it — and the first to make an offer.

The important addition to the Institute collection has not been given any publicity. Like strategists in the terminal phase of a war, museum curators are too intensely focused on the action to find time for celebrating.

# Mayan Objects Stir a Debate

By Susan Dieneshouse  
New York Times Service

**B**OSTON — In its first effort to make art from Africa, Oceania and pre-Columbian America part of its permanent exhibit, the Museum of Fine Arts here has stepped into the storm over the questionable provenance of art, which is buffeting major museums and private collectors.

Museum officials curtly rejected a request from Guatemala to eventually return a 138-piece collection of Mayan art that is the jewel of its pre-Columbian display.

In a two-paragraph letter written a month ago to a Guatemalan official, Malcolm Rogers, director of the museum, said that its board of trustees "found no basis" for Guatemala's ownership claim because the country could not produce legal title to the pieces.

Guatemala, meanwhile, charges that the museum has refused to produce documents that prove the collection was legally removed from a region where the U.S. government has long recognized that Mayan sites are endangered by looters.

Carlos Enrique Zea Flores, an archaeologist who is Guatemala's vice minister for culture and sports, said he no longer considers the Museum of Fine Arts to be "an ethical art institution." He said: "It's more like a collector who buys and sells pieces looted from the Mayan world."

Last December, the 128-year-old museum opened three permanent galleries for art, artifacts and cultural objects from Africa, Oceania and Latin America, which feature collections from two longtime patrons.

The African collection of about 150 pieces includes 13 pieces that are on long-term loan from a museum overseer. The Malian Embassy in Washington has asked the United States to help it repatriate two of the African antiquities that are on loan. The Malian government said the items were smuggled out of the country probably after 1993 despite Malian laws prohibiting their excavation or export and a U.S. law forbidding their import.

Rogers, the museum director, said his institution was not responsible for settling the dispute, because the artifacts were on loan from a private collector, William Teel.

The November Collection of Mayan works from Guatemala was purchased for the museum by a trustee in 1987 who officially donated it in 1988, the museum said.

"Since we have legal title to it, we have the right and the duty to display these works, which are extraordinary advocates for their culture," Rogers said.

Zea Flores said the high-quality Mayan burial urns, gold adornments and polychrome ceramics with hieroglyphics, all from El Peten jungle, were stolen from Mayan sites and smuggled from the country without the export permits that Guatemala has required since 1947. This removal also violated a 1970 United Nations accord intended to stem the looting of cultural property, Guatemalan officials said.

"I asked the museum to show me their export permits; they haven't," Zea Flores said. The items in the November Collection are "part of our history, our patrimony, and they were taken out illegally," Zea Flores said.

**R**OGERS declined to comment on whether the museum had export permits for the Mayan collection and refused to allow a reporter to review the museum's documentation on the pieces.

Instead, he said, "We look to American law and what is appropriate in the U.S." adding that he did not believe Guatemala had presented legal proof that it owns the collection.

It appears that the museum has relied on the letter of U.S. law and that Guatemala and Mali have relied on their own national laws. Moreover, Guatemala and Mali apparently have international law on their side. Further, the museum's critics say that international museum and academic ethics in dealing with such artifacts seem to be opposed to the museum's position. That custom supports the contention that artifacts belong to the country of origin unless a clear, traceable title proves otherwise.

There is a further angle. The November Collection, for instance, may have entered the United States legally but have left Guatemala illegally. That is because the United States did not sign the UN accord until 1983, 13 years after its creation. In 1987, when the trustee

Landon Clay bought the museum, the institution asked him to hire an attorney to assure them that Clay would have a clear, legal title. On this point, "the lawyer's opinion was conclusive," Rogers said.

But last winter The Boston Globe reported that the attorney, Weld Henshaw, a partner in the Boston law firm Choate Hall & Stewart, was aware that Guatemala law required export permits for Mayan artifacts but that no permits were issued. More recently, Henshaw declined to comment on the matter. Clay, a Boston businessman who has given the museum \$1.5 million in art and money, did not return phone calls.

Alan Shestak, the mu-

seum's director when the Mayan purchase was made and now the deputy director of the National Gallery of Art in Washington, also declined to comment.

When the museum bought the Mayan objects, it had an ethical obligation to determine how they left Guatemala and, if they were looted, to return them, said Martin Sullivan, director of the Heard Museum in Phoenix and chairman of the President's Committee on Cultural Property.

The pillage of Mayan ruins in El Peten had become so alarming that by April 1991 the U.S. Customs Service banned the import of such artifacts into the United States. In 1993, Mali won a similar ban.

## ARTS

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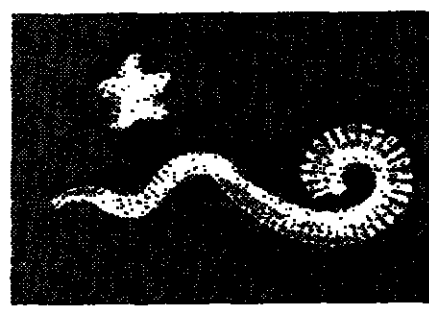
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## A Hopeful Epilogue to Iranian Hostage Drama

By Craig R. Whitney  
New York Times Service

PARIS — A former hostage from the American Embassy in Tehran came together on Friday here with one of the Iranians who, as a student, directed the seizure of the embassy for 444 days in 1979.

Those who brought them together hoped the result would be a dialogue of reconciliation.

Barry Rosen of New York was the embassy's press spokesman when he was seized. Now aged 54, he is executive director of public affairs at Teachers College of Columbia University.

He shook hands after two-and-a-half hours of debate in the UNESCO headquarters here with Abbas Abdi, who was one of his student captors.

Mr. Abdi, now 42, has become an

influential political journalist in Iran. About all they could actually agree on, at least in public, was that it would take a lot more meetings like theirs to overcome the hostility of the past 20 years and build a better future.

"What we call the hostage crisis was actually something closer to a defeat for both sides," Mr. Rosen said, "but must both sides be bad losers? Let's not dwell constantly on who did what to whom and when."

Mr. Rosen acknowledged that many Iranians blamed the United States for supporting the coup that restored Shah Mohammed Reza Pahlavi to power from 1953 to 1978. But Mr. Rosen said that neither Americans nor Iranians could overcome the past without acknowledging mistakes.

Mr. Abdi did not agree that occupying the embassy was a mistake and said it

was a spontaneous decision made by students who feared the United States was trying to thwart the Islamic Republic, which had driven the shah into exile.

"A nation deserves more apology than a handful of hostages," he said, but concluded, "I hope the relationship between Iran and the United States will go back to what it was before 1953, before the coup."

Mr. Rosen said he had decided to come because "I sensed the time had come to put closed to the 444 days that caused me great pain."

He added, "Nothing can replace a direct dialogue between the two governments. I'm convinced that two decades of animosity between our two countries is coming to an end."

Mr. Abdi said, "The past cannot be altered. Instead, we must focus on the

years ahead and endeavor to build a better future."

Mr. Abdi was himself imprisoned in Iran for eight months in 1993. He would not discuss that on Friday. "While the rhetoric of the U.S. government has softened, deeds remain far behind," he said.

Iran's president, Mohammed Khatami, called last January for cultural exchanges to bring down what he called a "wall of mistrust" between the two nations. The U.S. secretary of state, Madeleine Albright, indicated last month that Mr. Khatami might be a man the United States could talk to.

Sources here said the meeting between Mr. Rosen and Mr. Abdi was held at UNESCO in Paris because Britain refused to grant Mr. Abdi a visa. France's foreign minister, Hubert Vedrine, plans to visit Tehran this summer.

## U.S. Asks Serb To Allow Aid For Kosovars

The Associated Press

PRISTINA, Yugoslavia — A U.S. diplomat urged President Slobodan Milosevic of Yugoslavia on Friday to allow international aid workers to deliver food, medicine and blankets to tens of thousands of ethnic Albanians who fled a major offensive in Kosovo.

Diplomatic sources, speaking on condition of anonymity, said the envoy, Christopher Hill, had also sought assurances that Mr. Milosevic had called off a weeklong offensive in Kosovo, as he promised a European Union delegation Thursday.

Despite the pledge, scattered clashes were reported by both Serbian and Albanian sources. The government's Tanjug news agency said eight ethnic Albanian "terrorists" were killed and several were arrested Friday when they attacked Serbian police near Lipjane, 20 kilometers (12 miles) south of Kosovo's capital city of Pristina.

Three Serbian policemen were seriously wounded, the report said.

The Kosovo Information Center, under ethnic Albanian control, reported heavy shelling of villages close to the Albanian border, including Junik, a rebel stronghold where thousands of Albanian civilians were believed to have taken refuge.

The report could not be immediately confirmed. Junik has been reported under government siege for five days, but Mr. Milosevic told the Europeans that the Serbian troops would not shell the town.

Ethnic Albanians make up 90 percent of Kosovo's 2 million people, and many want independence from Serbia, largest of the two republics left in Yugoslavia.

Mr. Hill, who is the U.S. ambassador to neighboring Macedonia, has been spearheading international efforts to arrange peace talks between Mr. Milosevic and leaders of the ethnic Albanian community.

The rebel Kosovo Liberation Army has been resisting calls to unite behind a moderate ethnic Albanian, Ibrahim Rugova, who favors a peaceful solution.



FIGHTING THE YANGTZE — Villagers in Anhui Province southwest of Nanjing shoring up dikes Friday against the flooding Yangtze River, swollen by a month of heavy rain in Eastern China. Some dikes began collapsing Friday as the river rushed toward Shanghai, the country's largest city.

## GOLD: Deutsche Bank Says It 'Deeply Regrets' Its Wartime Role

Continued from Page 1

profit and made little difference to its overall performance as a commercial enterprise, it had great importance in the Nazi war effort.

Ignatz Bubis, head of the Central Council of Jews in Germany, said Deutsche Bank belonged to a "conspiracy of silence" during and after the war.

German banks must now make all their information public and must no longer resort to the excuse that they had no knowledge of their Nazi-era dealings, Mr. Bubis said.

"I demand that the banks clearly recognize their responsibility for that period of time," Mr. Bubis said. "Of course, it is not the same persons, but it is the same institutions."

In its statement, Deutsche Bank said that it "deeply regrets any injustices"

and that it was "in contact with the World Jewish Congress in this matter."

Both banks previously have rejected the complaint, saying historical research shows they did not know the origin of gold purchased during the Nazi era.

On Friday, a spokesman at Deutsche Bank's headquarters in Frankfurt declined comment on the lawsuit, saying the findings by the commission were not directly related to it.

Dresdner Bank also has commissioned an independent team of historians to comb its archives and write a report on its wartime activities.

A high-level banker at a rival German bank, who asked not to be quoted by name, said he found Deutsche Bank's statement "astonishing" in its comparative openness on the Nazi gold issue.

"In my view, this is something with great legal implications that might cost them money," the banker said.

The commission report, posted Friday on the Internet and later to appear as a book, shifts the debate over Nazi gold to Germany from Switzerland. UBS AG and Credit Suisse Group, Switzerland's two largest banks, have been in talks with Jewish groups for months to settle claims that they hold stolen assets and covered up their Nazi past.

Switzerland's central bank, which was sued last month by Holocaust survivors, said Friday it was carrying out its own study to shed more light on its gold dealings with Nazi Germany during World War II.

New York City and New York state plan to start phasing in sanctions against Swiss commercial banks starting Sept. 1 if a settlement is not reached. California and other states are considering similar action.

Deutsche Bank's stock fell 1.2 percent to close at 139.75 DM (\$79) on Friday.

## CAR: Toyota's Hybrid Is a Hit in Japan

Continued from Page 1

per gallon (3.5 liters per 100 kilometers), about double the fuel efficiency of a similar gasoline car. It also has half the gasoline car's carbon dioxide emissions and only 10 percent as much output of carbon monoxide, nitrogen oxides and hydrocarbons.

Toyota executives said at a recent news conference here that their goal was for the American version to qualify for California's new proposed category of "super ultra-low-emission" vehicle.

Since the Prius uses gasoline, it cannot be a zero-emission vehicle. But under a proposal before the California Air Resources Board, such "super ultra-low" vehicles would be granted some credit toward meeting the future requirement that 10 percent of the vehicles sold by major manufacturers meet zero-emission standards.

While Toyota might at first concentrate on California and some other environmentally conscious markets, it eventually hopes to sell nationwide and does not want the car to be typecast as a fringe vehicle.

Hirosaki Okada, Toyota's president, recently announced in Japan that the com-

pany plans to export 20,000 Priuses a year starting in 2000, many of them no doubt bound for the United States. By contrast, in the past year only a few hundred electric vehicles have been sold in the United States by all manufacturers combined.

Fully electric vehicles are expensive and can be driven only about 100 miles (160 kilometers) or so before the batteries must be recharged, a process that takes several hours. The Prius, by contrast, can be filled up at a gasoline station like any other car. It uses power from the gasoline engine to recharge the batteries as the car is driven, so it is never necessary to go to a recharging station.

Because the batteries and gasoline engine help each other, the Prius can get by with smaller versions of each, cutting costs and weight. The batteries, for instance, weigh only about one-fifth as much as those in a fully electric vehicle, and the gasoline engine has a capacity of only 1.5 liters.

Under complex computer control, the Prius switches from battery power to gasoline power, or a combination of the two, automatically and seamlessly. The driver just steps on the fuel pedal and is oblivious to what is powering the car.

When the car is idle or starting up at



Toyota is hoping the Prius gasoline/electric car will be popular in America.

slow speed, it is powered by the batteries alone. Therefore, there is no pollution or gasoline wasted when the car is, say, mired in traffic.

At moderate speeds, the car is powered by the gasoline engine. Some of the engine power that is not used to drive the vehicle is diverted to a generator to make electricity used to recharge the battery.

At very high speeds or during full-throttle acceleration, the battery and the gasoline engine work together.

The small gasoline engine alone, for instance, can make the car go as fast as 80 miles per hour. But with the batteries kicking in, the speed can hit 110. Once the batteries run down, the top speed would drop back below 80.

This situation would not be faced by most drivers. At lower speeds, the Japanese version of the Prius performed just like a regular car. In a short test drive, it was virtually impossible to tell when the car shifted from battery power to gasoline and back.

In one 20-minute test drive mainly on city streets with one two-mile stretch of Los Angeles freeway, the Prius achieved only about 24 miles per gallon, far less than the 66 miles per gallon advertised and not even as good as many small all-gasoline cars.

Admittedly, test drivers accelerate more quickly than an average motorist would, but that is not the whole explanation. The fuel economy and low emissions of a hybrid come mainly from using batteries instead of gasoline. But that happens mainly at speeds up to about 10 miles per hour. At higher speeds, when the car relies mainly on gasoline, the Prius is not much more fuel-efficient than other cars. Moreover, with the air-conditioner running, the gasoline engine works while the car is stopped.

In the Japanese mileage test, which simulates congested city driving, the vehicle travels at an average speed of about 14 miles per hour, according to Toyota.

Toyota officials acknowledge that they have work to do to deliver the promise of the Prius under American driving conditions. Right now, for instance, the Japanese version of the car would qualify only as a "low-emission vehicle" in California, two ranks below the rating Toyota hopes to obtain with the American version.

## Volcanic Source of Life?

Re-Creation of Early Conditions Yields Clue

By Nicholas Wade  
New York Times Service

NEW YORK — The idea that life on Earth began in the furnace-like temperatures of a volcanic environment has received support from an experiment designed to reconstruct the chemical events that may have led to the first living cells.

The experiment, reported in Friday's issue of the journal *Science*, shows that peptides, short protein chains, can form naturally under conditions that might plausibly have existed on Earth about 4 billion years ago.

Carl Woese of the University of Illinois, a microbiologist who believes that life may have begun at high temperatures like those found near volcanoes and in the undersea vents where magma gushes through the ocean floor, described the result as "another step in the grand march."

But a dash of cold water was thrown by Stanley Miller of the University of California at San Diego, a leading advocate of the view that life evolved at temperatures similar to those of today.

The chief author of the experiment was Gunther Wächtershäuser, a patent lawyer in Munich who has a degree in organic chemistry. His papers have been accepted by leading scientific journals.

The prevailing idea about the origin of life is that prebiotic chemistry the chemical reactions that led to the first living cell — probably occurred in some kind of watery environment.

In 1953, Mr. Miller showed that many chemicals used by living cells will form naturally from a mixture of water and gases subjected to electrical discharges that mimic lightning. But it has proved very hard to take Mr. Miller's classic experiments much further. The problem is that a pinch of chemicals in watery solution do not bump into one another often enough to create the more complicated molecules of life.

Mr. Wächtershäuser has developed a quite different concept: that prebiotic reactions occurred not in solution but on a surface, probably of some common catalyst like the ores of iron and nickel.

Chemicals bound to a surface would be much more likely to meet and combine into the more complicated molecules typical of life, he believes. In other words, prebiotic chemistry started in 2-D, and only later did the first systems escape into three dimensions.

With a government grant and the help of a chemist colleague, Claudia Huber of the Munich Technical University, Mr. Wächtershäuser has been conducting a series of experiments to test the elements of his theory.

Last year he showed that an active carbon-based chemistry could get started in a simple mixture of iron ore, nickel and the volcanic gases hydrogen sulfide and carbon monoxide. In their latest paper, he and Ms. Huber showed that in similar conditions, amino acids, the building blocks of proteins, can make the characteristic link known as a peptide bond that forms the backbone of proteins.

In the conditions of their experiment, chains of two and three amino

acids were assembled in a novel chemical reaction, they reported.

This experiment started with amino acids already in the mixture. It showed, however, that had amino acids formed under these conditions, they could go on to form peptide bonds.

Amino acids formed in space are thought to have been delivered to Earth by meteorites and comets. Mr. Wächtershäuser is also trying to show how amino acids might have been generated under volcanic conditions.

Norman Pace, an expert at the University of California at Berkeley, said the new reaction showed that it is relatively easy to make biological compounds from inorganic chemicals.

"Wächtershäuser's concept of mineral-based chemistry being able to generate biologically active compounds is wonderful," Mr. Pace said.

Mr. Miller remained unconvinced by the proponents of a high-temperature origin of life, saying that many of the essential components of living cells are unstable at high temperatures.

But Mr. Woese said, "Since all this chemistry that Wächtershäuser works with is novel, we have to cut him a little slack rather than close the door on it immediately."

## RADIATION: Extraterrestrial Key

Continued from Page 1

laboratory, the result is a mixture of roughly equal amounts of the left-handed and right-handed forms. Scientist call such mixtures "racemic." But living creatures, including humans, are assembled exclusively from left-handed amino acids and right-handed sugars.

Why and how this should be so are among the central mysteries of the origin of life, and such questions have prompted much scientific investigation and debate.

One thing is certain: Single-handedness, or homochirality, is an essential property of the amino acids and sugars incorporated into living organisms. This is because mixtures of left-handed and right-handed types would create molecular mismatches. Animals and plants cannot build coherent peptides and proteins from mixed pairs of amino acids, or mixed pairs of such sugars as ribose and deoxyribose — the corkerback backbones of genetic RNA and DNA. It would be like trying to put a left glove on a right hand.

But how the gift of homochirality was bestowed on Earth as a mold for life is an unsolved mystery. Single-handedness had either to arise on the Earth, itself, or to arrive from outer space, but which?

Scientists also wonder why biological amino acids happen to be left-handed rather than right-handed, which would be just as suitable for life. Was the choice decided by chance or was there some physical influence favoring left-handedness?

The report Friday from Australia lends weight to a growing body of evidence that homochirality is extraterrestrial in origin.

## POLICY: Sanctions Are Ineffective Tools

Continued from Page 1

fearing that unilateral sanctions in particular are hurting American business or diplomatic interests more than the foreign countries or companies they are intended to punish.

Earlier this month, Congress exempted food exports from sanctions automatically imposed on India and Pakistan after the two countries conducted nuclear tests in May. The exemption was made in part because the penalties would have barred American farmers from bidding on a \$37 million wheat order from Pakistan.

Last week, a Senate committee shelved a popular bill to punish foreign countries, including China, that endorsed or permitted religious persecution after business groups protested that the punishments would alienate diplomatic allies and trading partners.

"There is a very significant re-evaluation going on regarding sanctions, as there should be," said Senator Chuck Hagel, the Nebraska Republican who led the fight to set aside the Senate's religious persecution bill.

The administration is also recalibrating its approach. In 1996, President Bill Clinton signed into law bills aimed at

isolating Cuba, Libya and Iran. But when the measures threatened to draw Washington into a legal challenge and trade war with Canada and European allies, the administration backed down.

"Having gone through these experiences, it made people recognize we needed a better process for the executive branch," said Stuart Eizenstat, undersecretary of state for economic affairs.

The proliferation of sanctions has prompted the State Department and the Senate to form special panels to review the usefulness of sanctions. Legislation is pending in the House and Senate that would require a cost-benefit analysis for any new sanctions and would end them after two years unless they were reauthorized.

"The free ride for sanctions is over," said Richard Haass, a former national security aide to President George Bush and an editor of a new book on sanctions and diplomacy. "Like other foreign policy tools, sanctions are now subject to greater scrutiny."

Administration and congressional leaders say they are not abandoning sanctions entirely. Instead, they want to use them sparingly and in a more focused way.

## CLINTON: Legal Angle of Starr's Case Is Uncharted Territory

Continued from Page 1

relationship, the perjury of which he would be guilty in the Jones suit would likely have little legal consequence since that lawsuit was dismissed and it can be argued that Mr. Clinton's perjury was not therefore "material," as required by the statute.

But even that is not clear. Alan Dershowitz of Harvard Law School said that since it was not known at the time that the suit would be dismissed, Mr. Clinton's testimony could be considered material. All experts agree that if Mr. Clinton is charged with perjury in the upcoming grand jury investigation, that would be far more damaging than any perjury charge from the Jones civil case even though there would be no real legal distinction between the two instances of perjury.

The next question concerns alleged conversations between the president and Ms. Lewinsky on hiding their relationship and alleged efforts by Mr. Clinton to get Ms. Lewinsky a job through his friend, Vernon Jordan. Here, experts say, it probably all comes down to context.

"If he were found to have said

something like, 'We both know it isn't true but say X,' that is an easy case," said Charles Weisselberg, professor of law at the University of California at Berkeley. "But it is likelier that his statements were far more ambiguous and they have to be interpreted."

According to lawyers familiar with her account, Ms. Lewinsky has said that Mr. Clinton told her of gifts he allegedly gave her. "If you don't have them, you can't turn them over."

Mr. Starr is also seeking to establish whether Mr. Clinton had urged Ms. Lewinsky to hide gifts, including a T-shirt, a brooch and a hat pin, that had been subpoenaed by Mrs. Jones's lawyers.

Mr. Clinton's alleged statement about the gifts, Mr. Weisselberg said, has to be investigated and placed in context to know whether it was an innocent observation or a nefarious suggestion and possible subornation of perjury, which means knowingly getting someone else to commit perjury.

Moreover, Lloyd Weinreb of Harvard Law School said, the relationship between a president and a young White

House intern involves a colossal imbalance of power so any mere suggestion by him might be understood by her as an order. That, too, would add to possible subornation.

On the other hand, they may be seen as having worked together.

Thomas Puccio, a former federal prosecutor, said that if the two agreed to lie to federal prosecutors, then that is obstruction of justice. Given Ms. Lewinsky's grant of immunity, she would be an undisciplined co-conspirator.

The federal statutes on obstruction of justice cover about 30 pages and include a vast array of efforts to tamper with witnesses and evidence. One portion of the law states: "Whoever knowingly uses intimidation ... threatens or corruptly persuades another person ... with intent to influence, delay or prevent the testimony of any person in an official proceeding" shall be fined or imprisoned not more than 10 years.

Yet, Mr. Dershowitz said: "The bottom line is, no one knows what obstruction of justice is. We know it has to have a corrupt intent but it is a very gray area of the law."

tearoom interviewing villagers who had taken refuge at Prince Ranariddh's party headquarters.

"A lot of it is the history of this country," he said. "When someone makes a threat, they take it seriously."

Most of the villagers who fled here are old enough to remember the mass killings that followed the takeover in 1975 by the Khmer Rouge. All of them have watched the reprisals of Mr. Hun Sen's forces, who have killed at least 100 opponents since a coup a year ago in which Prince Ranariddh was ousted as Mr. Hun Sen's co-prime minister.

In addition to the reports of violence and threats, reports are accumulating from opposition party election monitors of a broad pattern of small-scale cheating during the vote count Monday that also favored the ruling party.

These included the barring of some opposition monitors from polling places and the miscounting of some opposition votes as votes for Mr. Hun Sen's party. The two opposition leaders have protested against election irregularities, and Mr. Sam Rainsy has demanded a review of some of the results.



## Eximbank Sets Loans For Thais

U.S. Body Offers Credits  
Of \$1 Billion to Firms

By Thomas Crampton  
International Herald Tribune

BANGKOK — The United States and Thailand on Friday finalized a trade financing agreement that mirrors a new and fast-growing program in South Korea to provide credit to cash-starved companies buying U.S. raw materials.

The \$1 billion agreement signed with the Export-Import Bank of the United States could provide "lifeline" for Thai companies needing short-term financing, said James Hannon, chairman of the bank.

Asia's financial crisis has sent the cost of exports tumbling, but it also has devastated national banking systems and virtually halted trade-related loans.

This has left Asian companies unable to get badly needed cash to purchase imported components and led to spurring export growth despite hefty currency devaluations.

Although Thai export prices dropped 15.5 percent from last year, the value of exports fell 12.1 percent in dollar terms on a year-to-year basis in May, the Bank of Thailand reported Friday.

The agreement signed on Friday will allow loans to be funneled to companies through local banks and be guaranteed by Thailand's own Exim Bank. Intended for the purchase of U.S. raw materials and parts needed for the production of goods, loan maturity is generally limited to 180 days.

Aporn Chawengkrak, economic adviser to Prime Minister Chuan Leekpai, welcomed the accord as a way to help alleviate the impact of the breakdown of the Thai commercial bank system.

"These credits will help relieve the problems for companies now that the commercial bank system is still not functioning," Ms. Aporn said.

Imported parts and components account for up to 40 percent of the value of Thailand's exports.

Demand was so great for a similar program in South Korea set up in February that the Exim Bank will soon increase the funds available to \$3.5 billion from \$1.5 billion. After financing virtually no short-term loans last year, the bank extended \$750 million of credit to South Korean companies within four months, Mr. Hannon said.

"For the first time, Asian countries

See BANK, Page 13



Llew Amiss, personnel chief at the Siemens AG plant in Tyneside, England, explaining plans Friday to close it.

## Siemens to Close English Chip Plant

### Company Blames Worldwide Collapse in Prices of Semiconductors

Compiled by Our Staff From Dispatches

LONDON — Siemens AG said Friday it planned to close its semiconductor plant in Tyneside, northeastern England, just 15 months after it was opened.

A total of 1,100 people will lose their jobs.

The company said it had no choice but to cease production from September because of the global glut of computer chips.

Chip prices now stand at less than \$1.50. They were at about \$9 in January 1997.

The company cited the Asian recession as a major cause of the weak state of the chip industry.

Siemens will also close a chip plant in Munich, eliminating 1,550 jobs.

Siemens said it decided to close the Tyneside plant because it was one of its smallest plants and had "clear cost disadvantages." The company said it would work with the British government to try to find a way to keep the plant open, but said the chances of that were slim.

When the Tyneside plant was cer-

emonially opened, Queen Elizabeth declared that it brought Britain "to the forefront of semiconductor manufacturing."

Closing the plant will cost about \$350 million (\$572 million), accounting for most of Siemens' planned reorganization costs this year, according to Ulrich Schumacher, the head of the company's semiconductor division.

"The market conditions turned out to be very bad, and we had no alternative," he said.

Closing the two plants will help Siemens slash semiconductor losses by almost 50 percent next year, after an expected loss of more than \$560 million this year, the company said.

The company employs about 380,000 people worldwide.

"It's a brave move," said Peter Roe, an analyst at Paribas Capital Markets. "Given where they were, it was the best decision to make, and the market is likely to react positively because they are taking quite decisive action."

The German company is the latest semiconductor maker to cut production.

Mr. Schumacher laid part of the blame for the industry's problems on South Korea. That country supplies 40 percent of the world's DRAM memory chips.

Mr. Schumacher said Korea was benefiting unfairly from International Monetary Fund loans.

"The IMF has been pumping a lot of money into South Korea, and we can only assume that a lot of that is finding its way into the semiconductor industry. We cannot continue to manufacture with this kind of pricing," he said.

The Tyneside factory's closing marks the second major blow to British manufacturing in as many weeks. Rover Group, a division of BMW AG, announced at least 1,500 job cuts last week, blaming the strength of the pound for hurting exports.

Union leaders were quick to blame the pound for Siemens' decision to close its British plant rather than a plant in some other country with a more competitive currency.

But the company said the choice of Tyneside reflected its production volume.

(Reuters, Bloomberg)

## Asia Puts the Brakes On U.S. Economy

But Quarterly Growth of 1.4% Tops Forecasts

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. economy slowed in the second quarter, the government said Friday, but not as much as economists expected because strong consumer spending blunted some of the shock from the crisis in Asia.

The gross domestic product, the total output of goods and services, expanded at a 1.4 percent annual rate in the second quarter, the Commerce Department said. That is down sharply from a revised 5.5 percent growth rate in the first quarter, but is still much stronger than most economists and analysts had expected.

"This is a tremendously strong report," said Roseanne Cahn, an economist at CS First Boston.

She said that if the impact of a strike at General Motors Corp. and one-time adjustments to trade figures were excluded, second-quarter growth would have been 2.7 percent.

"Average that with first quarter growth of 5.5 percent and you get a 4.1 percent first half," she said. "That ain't slow."

Still, it was the most sluggish quarter in three years and at least temporarily interrupted a remarkable run of robust growth unseen in the United States since the economy was climbing out of the deep slump of the early 1980s.

The slowdown was enough to keep the stock market pinned back as investors worried about the impact of the Asian economic crisis on corporate profits in the coming months.

The Dow Jones industrial average closed 143.66 points lower at 8,883.29, and declining issues outnumbered advancing ones by a 3-to-1 ratio on the New York Stock Exchange.

"Half of the companies that came out with decent earnings warned that the second half might be pretty tough," said Warren Simpson, a money manager at Stephens Capital Management Inc.

"The effects of Asia are everywhere. That's the main culprit."

President Bill Clinton moved swiftly to assure Americans that one soft quarter did not necessarily mean the economy was foundering.

"Our economy continues to enjoy strong growth," he said at the White House. "This is growth the right way, led by business investment and built on a firm foundation of fiscal discipline. Prosperity and opportunity abound for the American people."

Strikes at GM and auto-parts manufacturing plants, which idled 200,000 workers and were settled just this week, subtracted a half percentage point from

second-quarter growth.

The sharpest deterioration in the U.S. trade balance on record subtracted 2.4 percentage points. Exports fell at an 8 percent annual rate, largely because economically troubled Asian countries no longer can purchase as many U.S. goods. Imports grew at an 11.9 percent rate as U.S. manufacturers struggled to compete against Asian goods made cheap by sharp currency devaluations.

With Asia still shaky and with GM out of commission for nearly all of July, economists are expecting economic growth in the July-September quarter also to be subdued. But they forecast a rebound during the final three months of the year.

"It will be a sort of Twinkie year," said David Wyss, an economist at Standard & Poor's DRI. "Soft in the middle."

The report showed that consumer spending remained healthy, increasing at a brisk 5.8 percent annual rate. That is down only slightly from the 6.1 percent rate of the first quarter.

"This isn't the slowdown everyone was waiting for," Bill Cheney, an economist at John Hancock. "Even with the General Motors strike, people have jobs and rising wages, and they just feel too good to stop spending."

Consumer purchases of big-ticket items from cars to computers increased at a 10 percent rate, down from 15.8 percent in the first quarter.

Businesses also continued to spend heavily on new equipment—especially computers. Equipment spending rose at a 17.8 percent annual rate. That is not nearly as rapid as the 34.3 percent rate of advance in the first quarter, a near 15-year record, but still very strong.

The report also showed that inflation had all but disappeared. A price measure tied to the GDP rose at a 0.8 percent annual rate, the smallest increase since 1963.

Cooling economic growth along with few signs of inflation should allow the Federal Reserve Board to refrain from raising interest rates.

"It's the best of both worlds—strong growth and low inflation," said Jack Ables, chief investment officer at Colonial Asset Management.

That outlook for steady interest rates kept a floor under Treasury bond prices. The price of the benchmark 30-year issue rose 3/32 point to close at 105 24/32, sending the yield down to 5.71 percent from 5.73 percent Thursday.

"You don't need to be an economist to see this economy is on fire," said Richard Yamane, economist at Argus

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## Borders to Begin a New Chapter on Oxford Street

By Tom Buerkle  
International Herald Tribune

LONDON — The sweet smell of new maple shelves wafts through the spacious, four-level store as the new staff scurries to display tens of thousands of books, compact disks and videos and get the espresso machine up and running.

Borders Inc., the No. 2 U.S. book retailer and originator of the superstore concept, is arriving on Oxford Street in the heart of London's busiest shopping district.

The shop, which opens Saturday, is the leading edge of an American invasion that promises to change the shape of book retailing in Britain and beyond.

There is usually little in common between the U.S. and British bestseller lists, and several previous attempts by American retailers to expand into Europe have ended in failure.

But Robert DiRomualdo, Borders' chief executive, is confident that his vast assortment of titles, convivial ambience and long hours—the shop will open from 8 A.M. to 11 P.M. Monday to Saturday—will appeal to British book buyers.

"If we can tailor a store to be customer-friendly in Seattle, and customer-friendly in Norman, Oklahoma, why not London?" he said in an interview in the shop's second-floor cafe.

Mr. DiRomualdo is not alone in asking that question.

While Borders is shaking up the British High Street with the first of a string of city-center superstores, Amazon.com has acquired Bookpages, a fledgling Internet book retailer here, as a springboard to the British, and eventually European, markets.

Speculation is rife in the industry that Barnes & Noble Inc., the leading American retailer, is about to make a plunge of its own in Britain, perhaps via the local suburban retailer, Octopus.

Bertelsmann AG, a big German publisher, is expected to launch its own Internet retailing site later this month, with localized distribution for the U.S. and European markets.

"It will be a book market that is international as far as the English language is concerned," said Ulrike Grunewald, a spokeswoman for Bertelsmann.

The influx of U.S. marketing power and savvy herald an unprecedented level of competition in a country where the works of Shakespeare, Dickens and Woolf were traditionally deemed too important to be discounted.

Price competition has been tepid since it was first allowed on books here in 1995, but Clive Vaughan, an analyst with Verdict Research Ltd., predicts that the U.S. invasion will spark a wave of

cuts that will squeeze publishers and independent bookshops.

"The way you make an impact is to have very deep discounts," Mr. Vaughan said. "A Tom Clancy is a Tom Clancy." Apart from the Americanized spelling, he said, "it's the same product."

Borders will offer discounts of around 30 percent on some 40 bestsellers, both paperback and hard cover.

But Mr. DiRomualdo insists that the main accent will be on assortment and service.

The 39,000-square-foot (3,623-square-meter) store, by far the largest of a major book retailer in Britain, will stock nearly 150,000 book titles, some 2,000 magazines and newspapers and a floor of CDs and videos.

Emphasis will be on local tastes under the influence of British executives from the local Books Etc. chain, which Borders bought last year. A steady stream of readings, signings and other events are planned.

Four more stores are under construction in Glasgow, Brighton, Leeds and London, with more to come.

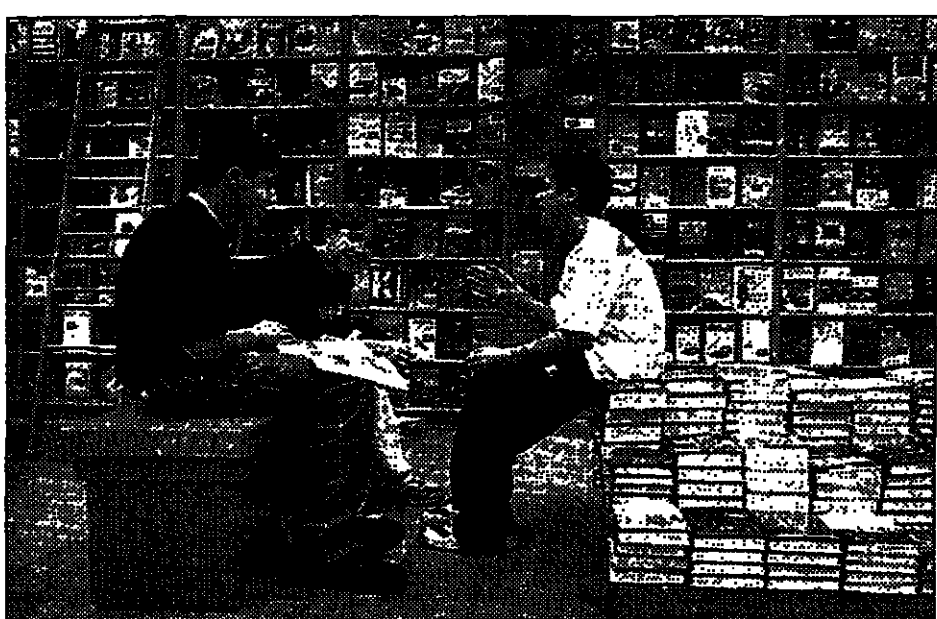
Borders also recently opened a shop in Singapore and is coming soon to Melbourne. "We're trying to build a global brand," Mr. DiRomualdo said. "It's an adult playground."

Tim Waterstone, who shook up book retailing here in the 1980s and has recently led a buyout creating HMV Media, the country's largest chain with a 20 percent market share, professes to be more than ready for the challenge.

While most of the 188 Waterstone's and Dillon's outlets are small shops of less than 10,000 square feet, he recently opened his first 26,000-square-foot superstore in Glasgow and plans up to 20 more over the next three years. They include a 40,000-square-foot flagship on Oxford Street, a few doors down from Borders.

"I think the great change happened 10 years ago when Waterstone's and Dillon's opened some great bookshops," he said. "It's more of the same for us."

Facing a bigger challenge, analysts say, is W. H. Smith Group PLC, which is more dependent on mass circulation paperbacks and periodicals after spinning



Bookstores have evolved into gathering places, like this Borders Book & Music shop in Rockville, Maryland. Borders plans to bring that ambience to Britain.

off its upmarket bookshops to HMV.

W. H. Smith also owns Britain's No. 1 Web retailer, the Internet Bookshop, but analysts say the site and Waterstone's Web effort lack the ease of ordering and

personalized features of American sites such as Amazon.com.

"Yes, they're on-line, but they're not marketing on-line," said Nick Jones, an analyst at Jupiter Communications.

## U.S. Fines IBM Unit

### Computers Sold to a Russian Weapons Lab

Compiled by Our Staff From Dispatches

WASHINGTON — A subsidiary of IBM Corp. pleaded guilty Friday to 17 federal charges that it shipped computers to a Russian nuclear weapons laboratory. The company agreed to pay \$8.5 million in fines.

IBM East Europe/Asia Ltd., the Russian subsidiary of IBM, admitted in U.S. District Court in Washington that it sold and exported \$1.5 million worth of computers in late 1996 and early 1997 to Arzamas-16, which federal prosecutors described as a nuclear weapons lab.

Federal officials said the company knew the computers would be used "directly or indirectly" in research, design and testing of nuclear explosives. One official said the transactions constituted "serious violations of export control laws."

The Commerce Department had previously denied the company's request to approve the sale, citing U.S. policies to stem the spread of nuclear weapons.

As punishment, the department fined the subsidiary \$171,000 and suspended its export privileges for two years but said it would lift the suspension during a probationary period after the company promised not to sell computers for nuclear or military use.

Separately, a Mexican judge cleared three IBM executives of fraud charges on Thursday over a multi-million-dollar computer system sold to Mexico City officials that failed to work. The decision came a week after IBM agreed to pay \$37.6 million to the city for a system intended to provide a criminal case database.

(AP, Reuters)

## Istituto Finanziario Industriale S.p.A.

Joint Stock Company  
Corporate Offices: 26, Corso Matteotti, Turin, Italy  
Capital Stock Lira 123,500,000,000 fully paid  
in Turin, Registry of the Companies No. 327/27

### 1997 DIVIDEND PAYMENT

We advise the shareholders that, in accordance to the resolutions of the shareholder's general meeting held in Turin on June 30th, 1998, the dividend for the fiscal year ended December 31st, 1997 will be payable on July 20th, 1998. Payment will be made upon presentation of coupon no. 20 in the measure of

- Lira 530 for each preferred share  
- Lira 480 for each ordinary share  
subject to withholding tax.

The dividend will be payable at the Company's Main Offices and branches of the paying agents listed hereunder.

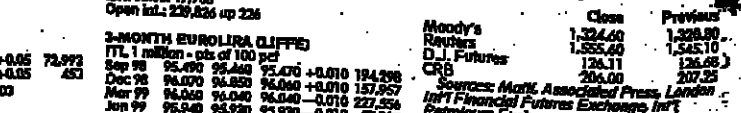
The full dividend is subject to a tax credit of 58.73% and, therefore, without restriction as to reimbursement.

**Authorized banks:**  
In the Federal Republic of Germany: Commerzbank.  
In Switzerland: Banca Commerciale Italiana (Suisse),  
Crédit Suisse and Société de Banque Suisse.  
In Italy: all the leading banks.

This notice replaces the announcements published on July 18th - 19th 1998 and July 25th - 26th 1998



## Gore Pushes for Electronic Privacy





## EUROPE

## Court Backs Lloyd's on Debt Recovery Plan

By Tom Buerkle  
International Herald Tribune

LONDON — Lloyd's of London won a significant legal victory over former investors in the insurance market on Friday when the Court of Appeal rejected the investors' bid to overturn an earlier judgment allowing Lloyd's to recover more than £150 million (\$246 million) in debts.

The ruling strengthens Lloyd's in its efforts to recover a total of £530 million in debts from some 3,000 former investors, known as Names, and close a painful chapter of litigation stemming from the market's unprecedented £8 billion worth of losses in the early 1990s.

Those Names have refused to

pay their share of the losses, alleging that Lloyd's disguised the market exposure to enormous asbestos and pollution claims in order to attract new investors during the 1980s. Lloyd's has argued that the Names were in breach of their contractual obligations, which under the market's rule of unlimited liability require them to cover any losses up to the value of their entire assets.

"We've got a watertight legal judgment," said Philip Holden, debt recovery chief at Lloyd's. "There is now nowhere to go" for Names to escape their debts, he said.

Catherine Mackenzie Smith, the barrister who heads the United Names Organization that supported the appeal attempt, called the

decision a "great disappointment" and promised an appeal to the European Court of Human Rights in Strasbourg.

"I have reluctantly come to the conclusion that the judges are persuaded that the public interest lies in protecting Lloyd's and ensuring the survival of Lloyd's at all costs," she said.

About 100 Names are suing Lloyd's for fraud, and discovery in that case is scheduled to begin in October. But the appellate ruling upholds a key plank of Lloyd's financial recovery plan, which requires that Names pay their debts before being allowed to take any legal action.

"Many Names will be ruined before justice can be done," Mrs.

Mackenzie Smith said.

It is unclear whether Lloyd's can actually recover the debts because senior executives have acknowledged that many Names are effectively bankrupt. But Mr. Holden said he was recovering payments at the rate of £2 million a month even before the ruling.

"Quite a large amount of cash can be recovered," he said.

Meanwhile, Lloyd's announced Friday that corporate investors had bought a further 1.5 percent of the market's underwriting capacity from Names in the second of a series of six auctions this week.

The auctions, which run through September, are expected to leave corporate investors controlling about three-quarters of the market.

## Jobless Rate In France at 2-Year Low

Compiled by Our Staff From Dispatches

PARIS — France's unemployment rate fell to a two-and-a-half year low of 11.8 percent in June, the government said Friday, as the labor market continued to reap the fruits of solid economic growth.

After adjustments for seasonal variations, the number of people out of work and seeking employment fell by 14,000, or 0.5 percent, to 2,965,400, the Employment Ministry said.

It was the lowest figure since December 1995. Unemployment has dropped steadily since peaking at a record 12.6 percent in June 1997. The jobless total fell by 15,000 in May and by 13,100 in April.

The world's fourth-biggest and Europe's second-largest economy is expected to grow as much as 3.0 percent this year, up from 2.3 percent last year.

"The mix of economic recovery and government job creation schemes has been feeding through into the labor market for some time now," said William Thomson, a Merrill Lynch economist. "We expect the downward trend to continue."

While the Socialist-led government, elected in June 1997 on a campaign pledge to cut record jobless levels, has launched youth job schemes, economists said the gradual decline in the jobless rate was largely due to growth.

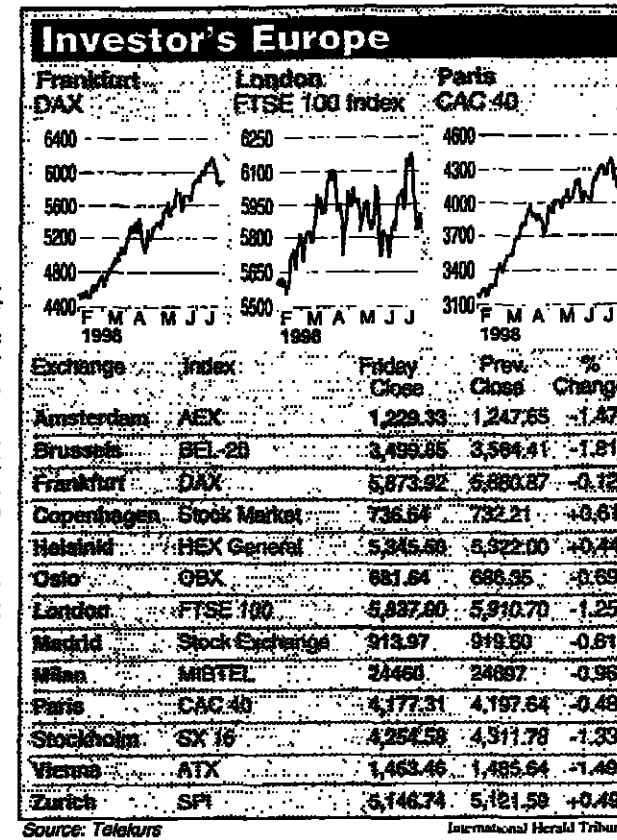
"Unlike in Germany, where the improvement in employment is mostly coming from government measures, in France it's the private sector and the dynamism of investment and consumption which is pulling unemployment lower," said a Credit Lyonnais economist, Benjamin Melman.

Germany's unemployment rate fell to 10.5 percent in June from 10.9 percent a month earlier, although some economists said job creation measures in Eastern Germany were chiefly responsible for the decline.

The fall in French unemployment has come largely from contracts of less than six months, which companies use to get around inflexible labor laws.

Anecdotal evidence suggests job creation has been fastest in computers, media and telecommunications.

(Reuters, Bloomberg)



## Very briefly:

• Rank Group PLC shares soared after the Independent newspaper reported that two American investment firms, Blackstone Group and Kohlberg Kravis Roberts & Co., were considering hostile bids that could value Rank, the Britain-based entertainment company, at £3 billion (\$4.9 billion). The shares rose 41 pence, to 337 pence, although none of the companies would confirm the report.

• Dresdner Bank AG shares jumped on market speculation that the bank and Allianz AG, the largest insurer in Europe and a big Dresdner shareholder, planned a bid for the American brokerage firm PaineWebber Group Inc. PaineWebber, Dresdner and Allianz declined to comment. Dresdner shares rose to 108 Deutsche marks (\$60.66), up 6.5 DM.

• BTR PLC, a British industrial manufacturer, plans to sell its aerospace divisions to Doughty Hanson & Co., an investment bank, for £510 million (\$834.6 million) cash.

• Telecom Italia Mobile SpA named Bernardino Libonati as chairman. Mr. Libonati, a professor and former chairman of Banco di Sicilia, replaces Vito Gambale, who resigned after a quarrel with Gian Mario Rossignoli, chairman of Telecom Italia SpA, which controls the mobile-phone company.

• The Telecommunications Regulatory Authority of South Africa said the country's cellular telecommunications market was ready for competition from two more operators, in addition to the current two.

• Lloyds TSB Group PLC reported a 15 percent drop in first-half net income, to £294 million (\$1.51 billion), as it set aside £400 million to cover clients' claims that they lost money when they were advised to switch their pensions to private plans in the late 1980s.

• De Beers/Centenary AG bought a 27 stake in AO Severalmaz, a Russian diamond mining company, for an undisclosed amount.

(Bloomberg, Reuters)

## Opposed to German Plans, Rolls-Royce Chief Resigns

The Associated Press

LONDON — The chief executive of Rolls-Royce Motor Cars Ltd. resigned Friday rather than go along with two German automakers' plans to move production of Rolls-Royce cars out of its current factory.

Graham Morris expressed "deep personal regret" at leaving Rolls-Royce, which has been purchased by Volkswagen AG for \$790 million.

But Mr. Morris said he felt unable to stay amid plans by VW and its rival Bayerische Motoren Werke AG to carve up the company into two groups, one making Rolls-Royces and the other making Bentleys.

Rolls-Royce factory in Crewe, England, from the engineering conglomerate Vickers PLC, it was not able to buy the rights to the Rolls-Royce brand name. VW signed a deal Tuesday that eventually will let BMW produce Rolls-Royce cars at a new factory.

BMW bought the Rolls-Royce brand name and logo for \$66 million from Rolls-Royce PLC, the jet engine maker that controlled them for years. Rolls-Royce PLC wanted BMW, its partner in an aerospace venture, to make Rolls-Royce cars beginning Jan. 1, 2003. VW will then rename its part of the company Bentley Motor Cars. VW will keep producing Bentleys in Crewe.



Graham Morris, who is resigning as the chief of Rolls-Royce.

## 2 Carmakers Cozying Up?

Compiled by Our Staff From Dispatches

BERLIN — Volkswagen AG and Bayerische Motoren Werke AG, the two German automakers planning to divide Rolls-Royce, could ensure a close relationship by exchanging shares in their companies, Volkswagen's chief, Ferdinand Piech, said Friday.

In an interview for Saturday's Die Welt, Mr. Piech declined to comment on recent German press reports that Volkswagen and BMW were considering an eventual full merger.

But he was quoted as saying that each of the German automakers could consider selling a minority share of 24.9 percent to the other. "Such an interconnection would make the companies stronger, even unbeatable," he said.

Earlier, BMW's chairman, Bernd Pischetsrieder, told the Sueddeutsche Zeitung that he was confident the company would still be independent in 10 years.

BMW had a "very clear agreement" with its majority shareholder, the Quandt family, that it would not sell its stake in the company, the BMW chief said. The family owns almost 50 percent of BMW's stock.

The global auto industry has been rife with speculation of mergers and takeovers since Daimler-Benz AG's proposal to buy Chrysler Corp. in May.

(AP, Reuters, Bloomberg)

## IMF Plans \$2.2 Billion Loan to Bolster Ukraine Reserves

Compiled by Our Staff From Dispatches

KIEV — International Monetary Fund officials said Friday they would recommend a loan for Ukraine of about \$2.2 billion to help bolster the country's dwindling reserves.

Ukraine may get a first payment of as much as \$250 million on the three-year loan by the end of August, the IMF officials said.

Under the economic blueprint agreed upon by Ukraine and the IMF, the budget deficit as a proportion of gross domestic product is

to be reined in to 3.3 percent in 1998, and to around 2 percent in following years.

Ukraine has sustained many of the ills that Russia fell prey during its financial crisis last spring. The government has had difficulty in boosting its tax revenues and balancing its budget, while the after-shocks from the Asian financial crisis have made investors wary of moving into its markets.

Ukraine spent about \$1.2 billion of its reserves in the first six months

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## WORLD STOCK MARKETS

Friday, July 31  
Daily prices in local currencies.

High Low Close Prev.

Amsterdam AEX Index: 229.22  
Previous: 229.45

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High Low Close Prev.

Johannesburg All Share 282.41  
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## ASIA/PACIFIC

## NEC Pays \$225 Million For Control of Packard

**Bloomberg News**  
TOKYO — NEC Corp., Japan's largest maker of personal computers and microchips, said Friday that it would spend \$225 million to take control of Packard Bell NEC Inc. in a bid to restore the California company to profitability.

Packard Bell will use the new dose of cash to promote sales and speed restructuring so the company can compete against rivals for computer sales in the United States and Europe, NEC said without giving details. Packard Bell has lost ground to Dell Computer Corp., which sells U.S. customers directly, while Fujitsu Ltd., Japan's largest computer maker, has eaten into NEC sales in Japan.

NEC will bolster its voting power in closely held Packard Bell to 52.81 percent from 49 percent. Another major shareholder, Groupe Bull SA of France, will increase its investment by \$25 million to control an 11.68 percent stake.

Packard Bell was founded in 1986, when Beny Alagom and two partners bought rights to the name from Teledyne Corp. The company pioneered the home computer, and

in 1996 it merged with NEC Corp.'s PC business and Groupe Bull's Zenith Data Systems.

The goal of the merger was for Packard Bell to get needed cash and for NEC to get a brand name and increased market share in the United States, the largest market for PCs.

Packard Bell, which Gartner Group Inc.'s Dataquest says ranks fifth in worldwide PC shipments, has seen its U.S. market share slip to about 9 percent from 15 percent three years ago, industry figures show. Prices plummeted, prompting plant closings and firings.

Packard Bell had a pretax loss of \$487 million in 1997 on sales of \$3.89 billion. Mr. Alagom resigned last month as president and chief executive officer, citing differences with NEC and Bull.

As a result of NEC gaining control, Packard and Bell NEC will cooperate in procurement of materials and will consolidate factories and sales channels, said Seijiro Yokoyama, senior executive vice president of NEC.

The new spending should help Packard Bell make a profit again in the second half of calendar 1999,

## 2 Korean Banks Confirm Merger

**The Associated Press**  
SEOUL — Two major Korean banks confirmed Friday that they would merge to form the country's largest single bank, giving a much-needed boost to President Kim Dae Jung's efforts to clean up the debt-ridden banking system.

The combination of two of the nation's top five banks — Hanul Bank and Commercial Bank of Korea — will create a bank with assets of 102 trillion won (\$82.7 billion).

The banks said they would reduce the number of workers and close some branches.

Also, they asked the government to take over a portion of their nonperforming loans, estimated to total \$10.4 billion.

Mr. Yokoyama said. The Packard Bell brand will survive, he said.

"We're doing this to remain a truly global player in PCs — the days are gone when you can depend on just one market," Mr. Yokoyama said.

NEC will most likely sell Packard Bell shares only after reporting 18 months of profit, Mr. Yokoyama added.

## Japan Agency Punishes 15 Financial Institutions

**Compiled by Our Staff From Dispatches**  
TOKYO — The Financial Supervisory Agency of Japan said Friday it had punished 15 banks and securities firms, with the harshest sentence going to Sanwa Bank Ltd., for entertaining financial officials in return for leaked information.

The agency barred Sanwa from selling mutual funds for a year, saying Japan's fourth-largest commercial bank bribed Ministry of Finance and Bank of Japan officials in exchange for information about interest rates and bank inspections.

The agency also banned Sanwa from setting up a holding company until August 1999. The agency said it was especially hard on Sanwa because of the bank's "extremely inappropriate behavior."

The penalty could make Sanwa fall behind rivals in over-the-counter sales of mutual funds, which are known as investment trusts in Japan. Their sale will be liberalized in Japan in December.

Other major banks, including Bank of Tokyo-Mitsubishi Ltd., Industrial Bank of Japan Ltd. and Sumitomo Bank Ltd. were ordered to submit reports to the agency about how to improve their operations.

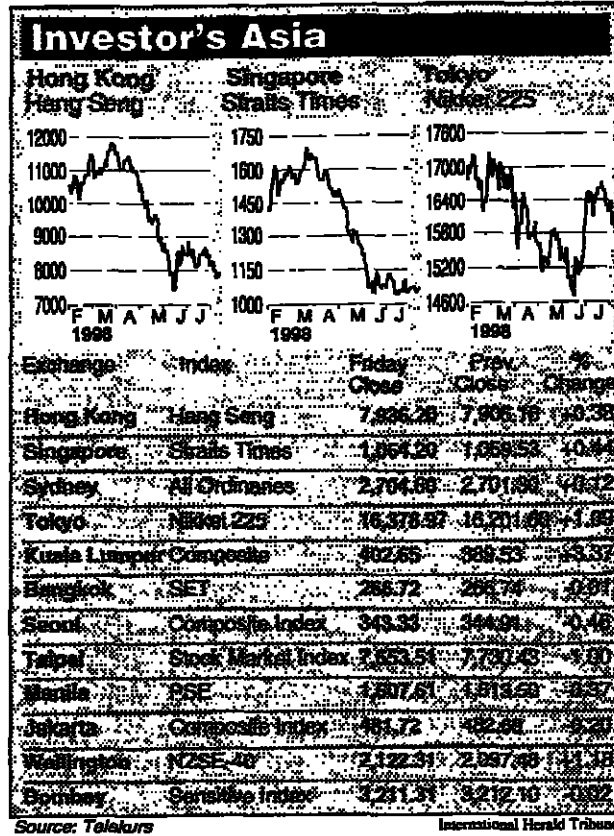
Those institutions are thought to have wined and dined officials of the Finance Ministry and the Bank of Japan in return for favorable treatment.

The ban on Sanwa comes as mutual-fund trusts start to take off as an investment vehicle for individuals. The funds, which account for only 3.6 percent of the 1,200 trillion yen (\$84.2 trillion) Japanese savers hold in financial assets, are expected to become more popular after banks are permitted to sell them in December.

"The penalty is severe," Sanwa Bank's president, Naotaka Sasaki, said. The bank apologized for the bribery scandal, recognized the significance of the penalties and would "draw up an operational restructuring plan" for management, he said.

Other banks cited by the agency were Dai-ichi Kangyo Bank Ltd., Sakura Bank Ltd., Fuji Bank Ltd., Asahi Bank Ltd., Hokkaido Tokai Bank Ltd. and Long-Term Credit Bank of Japan Ltd.

The brokers cited were Nomura Securities Co., Nikko Securities Co., Daiwa Securities Co., Yamachi Securities Co. and Sakura Securities Co. (AFP, Bloomberg, Reuters)



### Very briefly:

- China Three Gorges Project Development Corp., the company in charge of the world's biggest dam project, hired Morgan Stanley Dean Witter & Co. to draft preliminary documents for a sale of shares on the New York and Hong Kong stock exchanges, according to published reports.
- Samsung Corp., the trading arm of Samsung Group of South Korea, said first-half sales rose 33 percent, to a record 17.7 trillion won (\$14.4 billion). A spokesman for the group denied speculation it was building a war chest to acquire either Kia Motors Corp. or Korea First Bank.
- Bank Negara Malaysia plans to reduce its three-month intervention rate by half a percentage point, to 10.5 percent, effective Monday. The central bank said inflation was contained and the current-account balance had improved.
- PT Pertamina, the state-owned Indonesian oil company, closed its offices in Singapore, New York and London to save money needed to offset fuel subsidies. The company is also seeking to sell all its fuel production-related subsidiaries.
- American Express Co. has applied with the Japanese Finance Ministry to offer investment-advisory services.
- United Overseas Bank Ltd. of Singapore said first-half profit fell 35 percent, to 256.4 million Singapore dollars (\$149.4 million), as it made provisions for current and potential bad loans in Asia. Net interest income rose 5 percent, to 608.4 million dollars. (AFP, Bloomberg, Reuters)

### Indonesia Utility Chief Loses Job

**Bloomberg News**  
JAKARTA — Indonesia fired the president of PT Perusahaan Listrik Umum Negara on Friday and warned that the giant power utility would need 117 trillion rupiah (\$8.83 billion) from the government in the next five years to stay afloat. The executive, Djiteng Marsudi, who had drawn fire from the minister of state enterprises, Tanri Abeng, for allowing corruption to flourish during the Suharto years, was replaced by Adi Satrio, director of a unit that runs plants on Java and Bali.

## JAPAN: Bad Economic Data Greet New Prime Minister

Continued from Page 1

from 4.1 percent a month earlier. Some 2.84 million are now out of work, 24 percent more than a year ago. The number of jobs available — 51 for every 100 applicants — is also falling, the government said.

Workers at manufacturers with more than 30 employees clocked 18.7 percent less overtime in June compared with the same month last year, the Labor Ministry said. That helped push down wages adjusted for inflation by 0.9 percent, the 12th decline in the last 13 months.

A decline in spending has led builders to cut the prices of new homes, surveys show, and consumers can find steep bargains at department stores, supermarkets and golf courses.

Consumer prices nationwide fell 0.4 percent in June from May, with food, entertainment and transportation costs declining the most. Adjusted for inflation, prices fell 0.1 percent. In Tokyo, prices plunged 0.8 percent in July from June.

The largest Japanese retailers, meanwhile, sold 4.8 percent less in June from a year ago.

The government has already started spending its latest 16.65 trillion economic-stimulus package, which includes tax rebates worth as much as \$500 per family paid in June. The government will funnel 7.7 trillion yen into public works projects to help construction companies.

Mr. Obuchi repeated Friday that he wants an additional 6 trillion yen in tax cuts, a move that will likely come early next year.

**A High-Profile Adviser**

Earlier, Stephanie Strom of the New York Times reported:

In his first full day of work as Japan's new prime minister, Keizo Obuchi embarked on an all-out charm offensive, wooing the international markets with a high-profile economic appointment.

He named Toyoo Gyohten, a legendary Japanese financier known for holding his own against the West, as special adviser.

Mr. Gyohten's appointment is meant to serve as assurance to foreign investors and world leaders that Mr. Obuchi, who is regarded as somewhat of a financial novice, is serious about pulling Japan's economy out of

the worst slump in decades.

A former vice minister for international affairs at the Ministry of Finance, Mr. Gyohten earned the respect of such luminaries as Paul Volcker, the Federal Reserve chairman during the Reagan administration, and Karl Otto Poehl, a former Bundesbank president, in work at both the International Monetary Fund and the Asian Development Bank.

He speaks fluent English and is said to be at ease in the rough-and-tumble confrontations that mark Western-style negotiations, which make most Japanese extremely uncomfortable.

He also was a leading player in negotiations that led to the Plaza Accord, the 1985 agreement by the Group of Seven nations to end the dollar's supremacy and bolster the value of the yen.

"For all his storied internationalism and open-mindedness, Toyoo Gyohten may well be the most formidable Japanese adversary the West has ever faced in the financial arena," Institutional Investor wrote in a profile of him shortly after the Plaza Accord was signed.

## Hyundai Fires 1,569 Workers

**Compiled by Our Staff From Dispatches**  
SEOUL — Hyundai Motor Co. fired 1,569 workers Friday despite union workers' warnings that mass layoffs will lead to a prolonged strike at the country's leading automaker.

Some 3,000 unionized Hyundai workers, rallying in the company grounds, pledged to continue their work stoppage, which has crippled operations for 12 days.

"What management announced today means nothing," the Hyundai Motor union, one of the nation's most militant, said. "We will continue to fight until the company retracts the layoff decision."

Hyundai said Friday it fired the workers because of "urgent management reasons."

The job cuts will trim Hyundai's monthly 100 billion won (\$81 million) wage bill and help the company ride out Korea's deepest recession in four decades. (AP, Bloomberg)

## BANK: Thai Firms Get Aid

Continued from Page 9

that had graduated from using the Exim Bank for the short-term financing of raw materials and spare parts are turning back to official export credit agencies," Mr. Harmon said.

Official export support to Asia by the Group of Seven nations has dropped by half from last year, Mr. Harmon said, reflecting a reduction in the purchase of heavy equipment and capital goods. But the amount of short-term financing has increased dramatically, he added.

"As long as I can look back, Thailand has not used an Exim Bank short-term program like this," Mr. Harmon said.

While such programs will help keep Asian companies afloat, they may also sap the will to change old habits, said Jan Lee, chief regional economist at Hong Kong & Shanghai Banking Corp.

"You cannot simply buy a re-structured economy with money," Mr. Lee said. "The key for Asia's recovery is getting companies to move up the value-added scale."

# For haute couture you go to Paris. And for asset management? 99

To Geneva, of course. Its Private Bankers have developed made-to-measure asset management into an art. Unique investment expertise and a global perspective have established their worldwide reputation for capital growth... a reputation they have ably defended for 200 years.



## GENEVA'S PRIVATE BANKERS

LIBERTY · INDEPENDENCE · RESPONSIBILITY

IN GENEVA:

BORDIER & Cie  
(1844)

DARIER HENTSCH & Cie  
(1796)

LOMBARD ODIER & Cie  
(1798)

MIRABAUD & Cie  
(1819)

PICTET & Cie  
(1805)



NASDAQ

Friday's 4 P.M.  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
The Associated Press.

Stock	High	Low	Open	Close	Volume
IBM	125.25	124.75	125.00	124.75	1,200,000
Microsoft	45.25	44.75	45.00	44.75	1,100,000
Apple	35.25	34.75	35.00	34.75	1,000,000
Amazon	25.25	24.75	25.00	24.75	900,000
Google	15.25	14.75	15.00	14.75	800,000
Yahoo	10.25	10.00	10.10	10.00	700,000
Oracle	5.25	5.00	5.10	5.00	600,000
Sun	4.25	4.00	4.10	4.00	500,000
HP	3.25	3.00	3.10	3.00	400,000
Intel	2.25	2.00	2.10	2.00	300,000

Stock	High	Low	Open	Close	Volume
Alphabet	12.25	12.00	12.10	12.00	2,000,000
Facebook	8.25	8.00	8.10	8.00	1,500,000
Twitter	6.25	6.00	6.10	6.00	1,000,000
LinkedIn	4.25	4.00	4.10	4.00	800,000
Slack	3.25	3.00	3.10	3.00	700,000
Zoom	2.25	2.00	2.10	2.00	600,000
Dropbox	1.25	1.00	1.10	1.00	500,000
Evernote	0.25	0.20	0.22	0.20	400,000
OneDrive	0.15	0.12	0.14	0.12	300,000
Google Cloud	0.10	0.08	0.09	0.08	200,000

Stock	High	Low	Open	Close	Volume
Netflix	11.25	11.00	11.10	11.00	1,800,000
Spotify	9.25	9.00	9.10	9.00	1,600,000
Netflix	7.25	7.00	7.10	7.00	1,400,000
Spotify	5.25	5.00	5.10	5.00	1,200,000
Netflix	3.25	3.00	3.10	3.00	1,000,000
Spotify	2.25	2.00	2.10	2.00	900,000
Netflix	1.25	1.00	1.10	1.00	800,000
Spotify	0.25	0.20	0.22	0.20	700,000
Netflix	0.15	0.12	0.14	0.12	600,000
Spotify	0.10	0.08	0.09	0.08	500,000

Stock	High	Low	Open	Close	Volume
Netflix	10.25	10.00	10.10	10.00	1,700,000
Spotify	8.25	8.00	8.10	8.00	1,500,000
Netflix	6.25	6.00	6.10	6.00	1,300,000
Spotify	4.25	4.00	4.10	4.00	1,100,000
Netflix	2.25	2.00	2.10	2.00	1,000,000
Spotify	1.25	1.00	1.10	1.00	900,000
Netflix	0.25	0.20	0.22	0.20	800,000
Spotify	0.15	0.12	0.14	0.12	700,000
Netflix	0.10	0.08	0.09	0.08	600,000
Spotify	0.05	0.04	0.04	0.04	500,000

Stock	High	Low	Open	Close	Volume
Netflix	9.25	9.00	9.10	9.00	1,600,000
Spotify	7.25	7.00	7.10	7.00	1,400,000
Netflix	5.25	5.00	5.10	5.00	1,200,000
Spotify	3.25	3.00	3.10	3.00	1,000,000
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Spotify	0.25	0.20	0.22	0.20	800,000
Netflix	0.15	0.12	0.14	0.12	700,000
Spotify	0.10	0.08	0.09	0.08	600,000
Netflix	0.05	0.04	0.04	0.04	500,000
Spotify	0.02	0.01	0.01	0.01	400,000

Stock	High	Low	Open	Close	Volume
Netflix	8.25	8.00	8.10	8.00	1,500,000
Spotify	6.25	6.00	6.10	6.00	1,300,000
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NYSE

Friday's 4 P.M. Close  
(Continued)

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## How the Picks Fared: The Sagest Played It Safe

**A**NYONE who has played the board game Monopoly knows that the surest road to riches is to dominate a market (by, say, owning all the properties of a single color) or to play it safe (by, say, owning all the railroads).

In choosing investments during the second quarter, the surest road to success seems to have been the safe and steady one. The analysts and professional investors interviewed by The Money Report in the past three months had plenty of suggestions for high-risk, high-reward investments — some of which paid back lavishly.

1,200  
Jul. '97 Jan. '98 Jul.  
Rail privatization play  
up 35% since May 23.  
Source: Bloomberg BFF

In short, time and again, it was the big names, blue-chips and stodgy old widow-and-orphan stocks—including, yes, some railroads—that delivered the goods.

Take Unilever NV. While it was recommended in the fourth and first quarters by Yves Cochez of Banque Paribas, Brussels Lambert SA as a company with "sustainable competitive advantage," other analysts were a lot less enthusiastic in the second quarter about the British-Dutch consumer-goods giant. Some were damned with faint praise, saying Unilever had yet to reap all the benefits of its onetime restructuring.

ing. Others, like Roel Gooskens of HSBC Van Meer James Capel in Amsterdam, were more blunt. "You have to own it, but it's a slow mover," he said.

True enough: Unilever shares, recommended in April at 154.60 guilders (\$77.40), finished the period at 159 for a gain of just under 3 percent. But at least that was a gain — something Telekom Malaysia's shareholders would have been happy to have.

One of the most impressive gains in the period also came from the safe side of the risk equation. In the May 23 Money Report devoted to trains, William Gallagher of Schroders Japan recommended Central Japan Railway Co., operator of the high-speed "bullet" train from Kyoto to Tokyo, as the "perfect deflation hedge." As Japan's economy lumbered toward recession, JR Central stock rose a whopping 147 percent in the period.

Interestingly, Naoko Matsumoto of Merrill Lynch & Co., who thought JR Central was too dependent on government, recommended its sibling, East Japan Railway Co., or JR East, which rose a respectable 7 percent.

**I**N SOME sectors, though, even the quality route was fraught with pitfalls. In our April 4 issue on closed-end funds, the Templeton Emerging Markets Fund drew raves from fund-followers such as Thomas Herzfeld, director of Thomas J. Herzfeld Advisors Inc., who pronounced himself a "great fan," particularly of Templeton's star fund manager, Mark Mobius.

Michael Porter of Salomon Smith Barney Inc. said Templeton "personifies what is good about foreign closed-end fund management."

Yet even terrific advance reviews did not guarantee a solid share-price performance. Because of the turmoil in emerging markets from Asia to Eastern Europe, Templeton Emerging Market shares lost 14 percent of its net-asset value between April and July, and the price dropped to \$14.63 from \$18.68. The premium to net-asset value also fell to 2.20 percent from a lofty 11.97 percent.

But mutual funds, even those geared for high income or managed for aggressive growth, are not meant to be short-term trading instruments. Investors who buy shares in funds are buying the reputation of a manager or a firm, which is built over many market cycles. As Mr. Herzfeld reminded investors at the time, firms such as Templeton inspire confidence precisely because they have "been at it a long time and achieved a long-term success."

Buy-and-hold is a strategy that may yet work for owners of shares in Intel Inc. Paul Cook of Munder Capital Management's NetNet fund recommended the shares of world's biggest semiconductor maker in September 1997 when they traded at \$94.25 each. He cited growing use of the Internet, for which a computer with a high-speed chip such as Intel's Pentium is a prerequisite.

**Worldwide price-cutting in chips punished all semiconductor makers and sent Intel's shares down to \$77 by the end of the period. But investors who took the longer view were rewarded: Intel shares had risen to just over \$83 by July 24. The stock is still being recommended on the grounds that the company is still a leader in its field.**

Speaking of buy-and-hold, one of the gurus of the philosophy —

Martin Whitman of the Third Avenue Value Fund — had a mixed quarter with the picks he shared June 6 with The Washington Post's James Glassman, whose column appears each week in The Money Report. Chuo Trust & Banking Co. and Tokio Marine & Fire Insurance Co. rose, but his other picks went down: Electro Scientific Industries Inc., FSI International Inc., Nabors Industries Inc., Bank Ltd., Silicon Valley Group. and Tejon Ranch Co. Note to Mr. Whitman: We'll be watching.

**T**HIS IS the fourth time The Money Report has compiled a quarterly scoreboard of investment tips that appeared in the section, so by now the feature has a track record of its own. How did some of the hotter stocks of previous quarters fare? Herewith a short Hall of Fame — and Hall of Shame:

**■ Cisco Systems Inc.** has been recommended in all four Quarterly Scoreboards and every time has made the analysts who recommended it look good. The company has a reputation for leading-edge technology and astute judgment, and that reputation translates into handsome returns: 36 percent this quarter alone.


- **Ryanair Holdings PLC** was recommended in the third quarter of 1997 as a long-term buy. As if to prove the point, the stock fell in the period to 3.35 pence (\$4.76) from 3.6 pence, only to rise to 5.75 pence by July 24. The company is now considered a takeover candidate.
- **VAE AG** along with its rival, Vossloh AG, this Austrian maker of rail equipment has been a favorite of John Boich and David Whittall of Montgomery Asset Management, both of whom see the companies as beneficiaries of rail privatization in Europe. In VAE's case, this pro-

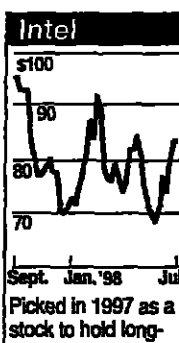
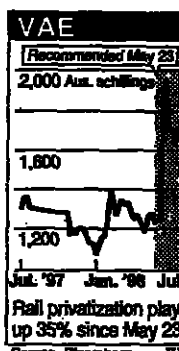
duced a spectacular return of 36 percent in the second quarter.

■ **Adidas-Salomon AG** The sports-equipment maker has been recommended for the past three quarters by analysts who cite its superior products and judiciously aggressive growth strategy. Mentioned first on Oct. 11, 1997, at a price of 238 Deutsche marks (\$134), the shares rose to a high of 328.5 DM in June but had slipped back to 250 DM as of July 24.

Analysts blamed controversy surrounding Adidas's labor practices and the vulnerability of the company to fashion trends — none of which has anything to do with the fundamental value of its stock.

• **Royal Dutch Petroleum Co.**  
 Recommended in February as "the best play in oil," the stock subsequently fell, a victim of falling oil prices and political problems. But Royal Dutch returns to the list this quarter — not as the oil stock to buy but as the one to sell in order to buy other, supposedly more promising European energy companies such as Total SA, Elf Aquitaine SA, OMV AG and ENI SpA. (Of those, Elf and OMV went up in the quarter, while ENI and Total languished.)


 A value\* stock down 42% since April 4.



Company (Ticker) Country	Sector	Who	Prediction	Issue	Price Now	Price July 24
Accretion Inc. (ASX) U.S.	Employment	Matthew Rosewell Legg Mason	Buy; presence in growth firms	June 13	32.19	28.37
Adcoeur SA (ADS) Switzerland	Employment	Boris Bernheim Goldman Sachs	Buy; market underperformer	June 18	679.00	561.00
Adidas-Salomon AG (ADS) Germany	Sports equipment	William Shafer Morgan Stanley Global Services	Buy; "underpriced premium"	Apr. 11	328.00	250.00
		Arthur Lerner Armed & S. Robertson Inc.	Buy; low P/E	June 13	318.00	
Agrotec Holdings SA (AGRO) Poland	Food	Laura Pennington Vantage Eastman European Equity Fund	Buy; probability peaking up, still strong	Apr. 25	74.00	43.50
Alaska Airgroup (ALAK) U.S.	Airline	Kenneth Murphy Morgan Stanley & Co.	Buy; interim candidate	May 6	48.00	50.00
Alliance Retail Partners (ALP) Australia	Retail products	Irish Michael ABC Funds	Buy; trades below value, below market target	June 27	21.50	20.55
Alro Steel SA (ALR) Romania	Metals/min.	Don Baskerville Bancroft Equity Research Group	Buy; significant operational savings	Apr. 25	72000.00	55500.00
Altery Corp. U.S.	Software/consulting	Morgan Stanley & Co. Don Witter & Co.	Buy; high profit margin, innovative products	May 2	41.25	37.19
American West Holdings Corp. (AWA) U.S.	Airline	Kenneth Murphy	Buy; takeover candidate	May 9	38.50	35.50
American Real Estate Investment (ARE)	Real estate	Thomas Hardell Thomas & Hardell Associates	Buy; selling below book value	May 23	18.15	17.81
Aurel Resources (ARV) Canada	Natural resources	Richard Coster Coster & Co.	Buy; good natural resources, justify high price	June 27	1.44	0.85
Avicore SA (AVIC) Romania	Appliances	Don Baskerville	Buy; significant operational savings	Apr. 25	6900.00	4000.00
Avi Media/ing Syndicate SA (AVS) Romania	Outdoor advertising	Jeffrey Schuchman Richard Fleming & Co.	Buy; high growth in the business	Apr. 25	47.00	42.50
Automobile Dacia Plant (ADP) Romania	Automobiles	Yves Lamy Gordon Scott McGillivray	Buy; strong sales of product in the right price	Apr. 25	690.00	590.00
Automotive (AZO) Romania	Facilities	Yves Lamy	Buy; potential for share-price profit	Apr. 25	7700.00	700.00
Banco di Napoli (BNP) Italy	Bank	Arthur Lerner	Buy; double earnings, rising valuation	June 13	2550.00	2351.00
BEC World PLC (BEC) Thailand	Entertainment	Elmer Amy Global Coordinator Fund	Buy; technical indicators show up buy	May 18	193.00	180.00
Bellway plc (BELL) Ireland	Employment	Tyler/Chit Jeffrey Fleming Scott & Co.	Buy; growth in the business	June 13	21000.00	21000.00
Biochem (BIO)	Chemicals	Don Baskerville	Buy; strong operational savings	Apr. 25	65.00	58.00
Bonanza (BON)	Food	Arthur Lerner	Buy; strong operational savings	May 18	48.00	
British Telecom Co. (BT) Britain	Energy	Richard Scott Gordon Scott McGillivray	Buy; high operational savings	Apr. 11	27.40	25.10
		Laurie Smith	Buy; with operational savings	May 18	27.40	25.10
Brunel International NV (BRNL) Netherlands	Employment	Boris Bernheim	Buy; strong operational savings	June 13	68.00	60.00
Burghfield International FC Corp. (BFC) U.S.	Transportation	Stephen Smith Richard & Ford Corp.	Buy; strong operational savings	May 23	108.00	105.00
		Shaw Leonard & Co.	Buy; will profit from recent trends and not overvalued	June 13	108.00	105.00
		Michael Lloyd Merrill Lynch & Co.	Buy; company has improved system and in position to win	June 13	108.00	105.00
		Raymond Treadwell Dorchester, Latham & Jencks	Buy; highly valued, market shows less than fair value	June 13	108.00	105.00
Buster International Inc. (BUST) U.S.	Employment	William Shafer Morgan Stanley Global Services	Buy; strong operational savings	Apr. 11	22.50	24.00
Canadian National Railway (CN) Canada	Transportation	Steve Lerner	Buy; strong operational savings	May 23	68.00	63.00
Cardinal Corp. (CAR) U.S.	Crude oil	James MacFarlane Lerner & Pines	Buy; fundamentals still strong	May 18	54.00	57.19
CDI Corp. (CDI) U.S.	Employment	Matthew Rosewell	Buy; underpriced, strong in growth areas	June 13	31.25	25.19
CDW Computer Corporation Inc. (CDW) U.S.	Software/consulting	David Lee Pratt & Pratt	Buy; strong operational savings	May 18	48.25	49.25
Central Japan Railway Co. (CJR) Japan	Transportation	William Shafer Morgan Stanley Global Services	Buy; strong operational savings	May 23	482000.00	570000.00
Changsheng Group (CHS) China Republic	Chemicals	Stephen Poyner Merrill Lynch & Co.	Buy; strong operational savings	Apr. 25	1482.00	1047.00
China Merchants Holdings (CMH) Hong Kong	Holding co.	Ellen Berg	Buy; strong operational savings	May 18	5.00	3.80
China Telecom Hong Kong Ltd. (CTH) Hong Kong	Telecom	Glen Ayl	Buy; technical indicators show up buy	May 18	14.15	12.05
Chun Travel & Banking Co. (CTB) China	Bank	Matthew Shafer Morgan Stanley Global Services	Buy; strong operational savings	June 6	490.00	465.00
Cisco Systems Inc. (CSCO) U.S.	Computer networks	Jeffrey Engel TIA-CREF South Equity Fund	Buy; growth stock	Apr. 25	71.94	67.75
CND Telecom (CTN) Canada Republic	Telecom	Academy	Buy; will place profit from recent trends and not overvalued	May 18	30.00	25.65
Coca-Cola AMBA Ltd. (CCL) Australia	Beverage	Ray Bury	Buy; will underperform the market	May 9	7.81	6.85
Coca-Cola Enterprises Inc. (CCE) U.S.	Beverage	Ray Bury	Buy; will underperform the market	May 9	37.25	34.44
Coca-Cola Fem SA (CFC) Africa	Beverage	Ray Bury	Buy; will underperform the market	May 9	77.00	73.00
Covent Behavior (CTV) Netherlands	Employment	Boris Bernheim	Buy; strong operational savings	May 18	70.00	65.00
Crescent Investment (CRI) China	Bank	William Shafer Morgan Stanley Global Services	Buy; strong operational savings	May 23	8	
Crescent Investment (CRI) China	Bank	Arthur Lerner	Buy; strong operational savings	June 13	9801.00	10045.00
Crescent Investment (CRI) China	Bank	Arthur Lerner	Buy; strong operational savings	Apr. 11	116.00	108.10
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<b>FTT Exploration</b> <b>(FTEP)</b> Thailand	Energy	Gillian Ang	Buy; technicals indicate shares will rise	May 16	\$76.00	\$40.00
<b>Radioshack Inc.</b> <b>(RSCA)</b> Canada	Radio and hi-fisounds	Burgundy Asset Management	Buy; can grow slowly in a down market	June 27	17.00	16.50
<b>Rembrandt Holdings NV</b> <b>(RSTN)</b> Netherlands	Employment	Boris Bernheim	Buy; market outperformer	June 13	117.20	148.40
<b>Reynolds Energy Ltd.</b> <b>(REEL)</b> U.S.	Energy	Fried Stern by Canada Fund	Buy; new pipeline to U.S.; will increase exports	June 27	15.00	13.90
<b>Ming Pao Products NY</b> <b>(PMNY)</b> Netherlands	Telecom	William Burger	Buy; going public June 15, all grow	Apr. 11	34.70	62.80
<b>Robert Hall International Inc.</b> <b>(RH)</b> U.S.	Employment	Justin Scott	Buy; moving into growth areas	June 13	55.44	55.75
<b>Royal Dutch/Shellman</b> <b>(WRSB)</b> Netherlands	Recreatives	Frans van Schaik	Buy; will take cash from sharepurchases to buy back shares	Apr. 11	30.30	30.50
<b>Royal Caribbean Cruise Ship</b> <b>(RCL)</b> U.S.	Cruise Shps	James Winchester	Buy; fundamentals solid strong	May 16	68.75	89.56
<b>Royal Dutch Petroleum</b> <b>(RDL)</b> Netherlands	Energy	Gordon Gray, Salomon Smith Barney Lehman Brothers	Sell; better returns from British Petroleum S&P performance will be up next over 12 months	Apr. 11	71.90	105.50
<b>Raymond Holdings</b> <b>(RAYH)</b> Israel	Transportation	Marc Shields	Buy; takeover candidate		6.44	5.75
<b>Salomon Bank</b> <b>(SB)</b> Japan	Bank	Martin Whitman	Buy and hold; undervalued	June 6	416.00	933.00
<b>Sarnes Group (SAABK)</b> Netherlands	Office furniture and supplies	Michael Bourne BSI Securities	Buy; Germany, which is 30 percent of sales, has bottomed out	Apr. 11	128.50	123.20
<b>Schaeffler AG</b> <b>(SGL)</b> Germany	Transportation	Oswald Whitall	Buy; will benefit from industrial recovery	May 29	167.20	186.00
<b>Scotchmould (SMVL)</b> Netherlands	Plastics	Michael Biscorn	Buy; great track record, cost-conscious management	Apr. 11	52.15	59.30
<b>Smith Barney Inc.</b> <b>(SBIN)</b> U.S.	Entertainment	Ray Tetsdorf/ Technical Discipline	Buy; excellent P/E; key of cash	May 9	10.44	8.89
<b>Select Appointments Holdings PLC</b> <b>(SLAH)</b> Britain	Employment	Boris Bernheim	Buy; will outperform the market	June 13	146.50	104.50
<b>Shenpan Holdings Ltd.</b> <b>(SHL)</b> Hong Kong	Holding company	Gillian Ang	Buy; technicals indicate shares will rise	May 16	22.00	14.70
<b>Siemens AG</b> <b>(SIG)</b> Germany	Electrical equipment	Mark Dennis Jones/ BSI Securities	Buy; excellent fundamentals; undervalued	May 23	121.30	133.00
<b>Silicon Valley Group Inc.</b> <b>(SVGI)</b> U.S.	Semiconductor equipment	Martin Whitman	Buy; excellent balance sheet, buoyant price	June 6	19.25	14.65
<b>Silicomex Industries Ltd.</b> <b>(SILOX)</b> Taiwan	Semiconductors	Margen Stanley, Dean Witter & Co.	Buy; growing industries will benefit parent	May 9	58.82	58.50
<b>Singapore Airlines Ltd.</b> <b>(SIA)</b> Singapore	Transportation	Gillian Ang	Buy; technicals indicate shares will rise	May 16	8.00	6.25
<b>Studea Plant</b> <b>(SDPD)</b> Czech Republic	Manufacturing	Stephen Peabody	Sell; hasn't done nearly enough restructuring	Apr. 25	376.00	580.00
<b>Southeast Airlines Co.</b> <b>(LIN)</b> U.S.	Transportation	Dan Theory Franklin	Buy; low P/E	May 9	35.63	38.94
<b>St. Laurent Powerfund Inc.</b> <b>(SPFI)</b> Canada	Forest products	Iveth Macleod	Buy; trades below actual value; takeover target	June 27	17.75	14.75
<b>Stet Lysaghts also Eater SA</b> <b>(LYE)</b> France	Chemical utility	Rob Fradenon	Buy; an interesting French company	June 13	1009.00	1088.00
<b>Stet Brewing GDR</b> <b>(SGDR)</b> Germany	Brewing	Alexa Sassetti	Buy; growing market	May 23	23.80	23.00
<b>Telen Research Co.</b> <b>(TRC)</b> U.S.	Real estate	Martin Whitman	Buy and hold; long-term speculation	June 6	26.00	23.00

Continued on Page 17



For information on how to list your fund, fax Katy Hourl at (33-1) 41 43 92 12 or E-mail : [funds@iit.com](mailto:funds@iit.com)  
To receive free daily quotations for your funds by E-mail : [subscribe@e-funds@iit.com](mailto:subscribe@e-funds@iit.com)

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Dollars; ECU - European Currency Unit; FF -  
French Francs; FM - Finnish Marks; FL - Dutch  
Florins; ID - Indonesian Rupiah; Li - Italian Lira;  
LF - Luxembourg Francs; p - pence; MYR -  
Malaysian Ringgit; Pls - Pesetas; S\$ -  
Singapore Dollars; SF - Swiss Francs; Ssk -  
Swedish Kroner; THB - Thai Baht; Y - Yene

\* - asked; + - Offer Price; N.A. - Not Available;  
N.C. - Not Communicated; o - New; S -  
suspended; S/S - stock split; - - Ex-Dividend; - -  
Ex-Fix; - @ Offer Price incl. 5% profit charge;  
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## WORLD ROUNDUP

### Americans Advance

**BASKETBALL** The United States routed South Korea, 88-62, Friday to reach the second round at the World Championship in Athens. Lithuania and Yugoslavia both won Friday to stay unbeaten, while Russia also advanced.

The Americans finished second in Group C, behind Lithuania, which rallied late to beat Brazil, 66-62.

Nigerian center Julius Nwosu was suspended after testing positive for ephedrine. Nwosu, who played briefly in the National Basketball Association, was tested after Nigeria's game on Wednesday. (AP)

### Kluivert Talks to United

**SOCCER** Patrick Kluivert is to fly to England this weekend to discuss terms after Manchester United agreed to pay AC Milan a \$9 million (\$14.8 million) transfer fee for the Dutch striker. (Reuters)

### Oiler Kevin Lowe Retires

**ICE HOCKEY** Kevin Lowe, the defenseman who was Edmonton's first draft pick, scored the Oilers' first National Hockey League goal and stayed with them through five Stanley Cups and more than 1,000 games, retired Thursday. Lowe, 39, also helped the New York Rangers to the 1994 title before rejoining the Oilers. (AP)

### Stanley Returns to Boston

**BASEBALL** Trading activity was light Thursday on the eve of the July 31 deadline. Boston re-acquired catcher Mike Stanley from Toronto, Anaheim acquired catcher Charlie O'Brien from the Chicago White Sox and Atlanta obtained first baseman Greg Colbrunn from Colorado. In each case the price was two minor-league pitchers. (AP)

## 13-Man Breakaway Takes the 19th Stage

### But Pantani's Overall Lead Appears Secure

By Samuel Abt  
International Herald Tribune

AUTUN, France — Frankie Andreu said before the start of the Tour de France's 19th daily stage on Friday that his legs were dead and that there was no point in expecting him to join a large, early breakaway.

"No way," he said. "No legs."

Andreu, an American rider for the U.S. Postal Service team, sounded convincing even though his goal in this Tour, his seventh, was identical with his

#### TOUR DE FRANCE

goal in the first six: get in a good breakaway and win a stage. It had not happened yet and there were only three days to go before the finish in Paris on Sunday.

A breakaway was expected by nearly all the 96 riders left since the journey from La Chaux de Fonds in Switzerland to Autun in France measured 242 kilometers (150 miles) and most teams with top sprinters, like Mapei and Telekom, let it be known that they were too tired to lead a long chase to give themselves a chance at a mass rush to the final line.

Moreover, all the leading riders would be expected to save themselves for the long individual time trial on Saturday. Since their teammates would be needed to keep them out of trouble Friday, that meant no Mercatone Uno or Cofidis riders in any chase. With only 14 of the original 21 teams left after the withdrawal of the last five TVM riders on Friday morning, and with at least four teams intent on a restful day, the road was open to an early acceleration.

Jacky Durand, a Frenchman with Casino and an unwavering early attacker, made that acceleration seconds after the start. After bursts of counterattacks, he was joined by 12 other riders and the rest of the pack just waved good-bye.

Andreu was one of the 13 fugitives, of

course. "I had to go," he said later. "There were all these early attacks and the team was covering them and this one was mine to go with. This team is trying hard to win."

Although the major goal of U.S. Postal Service is to win a stage in this Tour, the closest it had come was Tyler Hamilton's second place in the first time trial. It also had a third place, a fourth place and two fifths in the first 18 stages.

The breakaway's lead rose quickly. By Kilometer 35, well over the border into France, it was 2 minutes 15 seconds and by Kilometer 39 it was 4:30. Pursuit was lackadaisical: By Kilometer 50, the lead was 6:40 and at Kilometer 74, it was 14:05.

The 13 riders worked well together. They took turns in setting a fast pace at the front, slipped back in the file on the right and then mounted to the front again on the file on the left.

Andreu had a teammate in the attack, Pascal Derame, a Frenchman, but there were also two riders each from Gan, Casino and Big Mat-Auber.

The riders continued to work together and their lead reached a peak of 17:30 just before they entered Burgundy and its long slopes of vineyards. On the only climb of the day, a small hill, Derame bolted away from the 13 and was joined by Magnus Backstedt, a Swede with Gan; Maarten den Bakker, a Dutchman with Rabobank; and Eddy Mazzoleni, an Italian with Sacco.

The foursome's gap grew to perhaps 200 meters (220 yards). With his teammate in front, Andreu remained at the back of the second group. "I protected Pascal," he said. If he had worked with the chasers, he might have helped overtake Derame. "He made a good move and looked strong. He had a good chance of winning."

With three kilometers to go and the foursome's lead at 18 seconds, Derame accelerated on a left-hand curve. He man-



A ride through vineyards Friday during the stage from La Chaux de Fonds, Switzerland, to Autun, France.

aged to build a small gap but was overtaken with a kilometer-and-a-half left.

Seeking that first-stage victory for U.S. Postal Service, Derame started the final sprint 200 meters from the line. Backstedt accelerated from fourth position and passed everybody else on the right, winning by a bicycle length. Den Bakker was second, Mazzoleni third and Derame fourth.

The Swede was timed in 5 hours 10 minutes 14 seconds, a speed of 46.8 kilometers an hour on a hot and sunny

day. Eight of the nine others in the original breakaway finished 25 seconds behind, with the main pack 16:38 behind.

Since none of the 13 men in the attack ranked high in the overall standings, nothing changed at or near the top. Marco Pantani, the Italian leader of Mercatone Uno, remained in the yellow jersey, 5:42 ahead of Bobby Julich, an American with Cofidis, and 5:56 ahead of Jan Ullrich, a German with Telekom and the defending Tour champion.

While Pantani is not usually a strong

time trier, his lead is so large that he is not expected to be overthrown Saturday on the 52-kilometer course.

When the stage into Autun was over, Andreu had no regrets. "I couldn't chase after Derame, my teammate," he said. "But if we caught them, I would be on my own and planned to attack myself, going for the victory. I thought I had a chance in the sprint."

"That's cycling," he concluded. "We rode a good race, it didn't work out, but maybe it will next time."

## Tour Cyclist and Team Doctor Charged

Agence France-Presse

LILLE, France — Rodolfo Massi, a Tour de France cyclist with the Casino team, and Nicolas Terrados, the doctor for the ONCE team, were charged in court Friday night following a hearing before Judge Patrick Keil, who is heading one of the Tour drugs inquiries.

Both men were detained by French police Wednesday night. They have been charged under the 1989 drug act. Massi, a member of the Casino team, was the leader in the King of the Mountains category at the time of his arrest. He faces additional charges of importing, distributing and transferring "poisonous substances."

Both men were freed after the Friday hearing.

In The Hague, the Dutch govern-

ment said Friday that it was setting up an inquiry into the French authorities' handling of the drugs scandal in the Tour.

The Dutch sports minister, Erica Terpstra, who has made public her support for the TVM team, which left the race Friday, said she wanted to determine whether the French legal authorities had acted fully within their powers.

### IOC Calls Drug Meeting

Juan Antonio Samaranch, president of the International Olympic Committee, said Friday that he was calling a crisis meeting of the IOC executive board to discuss the use of drugs in sport, Reuters reported from London.

The announcement of the meeting

Aug. 20 in Lausanne comes less than a week after Samaranch provoked surprise in sports circles when he told the Spanish newspaper El Mundo that he favored an overhaul of doping controls, with athletes being allowed to use performance-enhancing drugs as long as the drugs were not harmful.

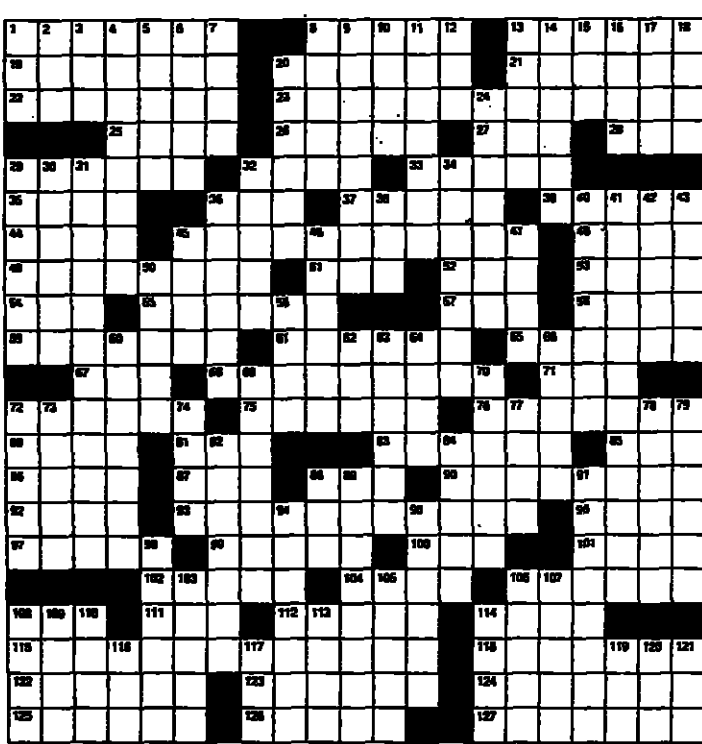
The second part of short putter Randy Barnes' drug test was positive, the governing body of world track and field said Friday, the Associated Press reported. This sample from Barnes' out-of-competition test April 1 confirmed the use of a banned nutritional supplement, they said.

Barnes, the world-record holder and Olympic champion, must now appeal to U.S. track authorities to avoid a lifetime suspension.

## FOURSOMES By Nancy Nicholson

### ACROSS

- 1 Court conference
- 8 Cakes of a sort
- 13 Gotham City do-gooder
- 19 It began around 1100 B.C. in Europe
- 20 Fires
- 21 In a New York minute
- 22 1980's foursome
- 23 Monumental foursome
- 25 1996 Tony winner
- 26 Tight
- 27 You wouldn't want to be caught in one
- 28 Bear
- 29 Singer in a field
- 30 "Warner, Faulkner woman"
- 33 German electricity-producing city
- 35 Baseball state
- 36 Photographer Golden
- 37 Silent
- 38 Tin Pan Alley org.
- 44 Noncash deposit
- 46 Literary foursome
- 48 —ran
- 49 Seasonal occurrence
- 51 Components of some campaigns
- 52 Country club figure
- 53 Pick
- 54 Ramon — Olds
- 55 Fields of activity
- 57 Certain turn-on
- 58 "O For a Thousand Tongues" composer
- 59 Changes a life living, e.g.
- 61 Not staccato
- 62 French F.B.I.
- 63 Critic
- 64 Foursome
- 71 White wine aperitif
- 72 Native-born Israeli
- 75 Fenway Park
- 76 Their words are divine
- 80 Get via roving eyes
- 81 Outwits
- 83 Two-Mex anachronism
- 85 "Elmore" rock group
- 86 Bickering in the "illad"
- 87 —de
- 88 "We the World"
- 90 Rocky Mountain pass
- 92 Bankrolls
- 93 Court foursome
- 96 Dedicated
- 97 Symbols of obstinacy
- 98 "Doctor Zhivago" setting
- 100 One of Ophelia's flowers
- 101 Tennis legend Lacoste
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- 103 "Elmore" rock group
- 104 Some Public Neruda works
- 106 Enters cyberspace
- 108 Duchamp contemporary
- 111 "The Crying Game" star
- 112 Home of Ephesus
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- 115 TV foursome
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- 122 What one plume writer on
- 123 Scrooge-like
- 124 Rustled
- 126 Brahman, e.g.
- 127 Spanish saint and namesake
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- 1 Rival, perhaps
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- 4 Consigns
- 5 Bundles
- 6 Mulder of "The X-Files," for one
- 7 Word with cure or room
- 8 Barbecue
- 9 Overdid the flattery
- 10 Jolly Roger feature
- 11 Like Radio City Music Hall
- 12 Latvia, once: Abbr.
- 13 Ellington contemporary
- 14 Greek Minerva
- 15 Nursery rhyme boy
- 16 Alphabetical foursome
- 17 Prefers with phobia
- 18 Indigence
- 20 Total
- 24 Overcoats
- 28 Inferior
- 30 Palmer was one
- 31 Yuletide foursome
- 32 Like Baby Bear's porridge
- 34 Noted alpine tunnel
- 36 Like Miss Congeniality
- 38 Cries on seeing a cute baby
- 40 Like "The Bonfire of the Vanities"
- 41 Lucky foursome
- 42 It may be fixed
- 43 Outer group
- 45 Bills paid in Italy
- 46 Surgeons' tools
- 47 Signs of approval
- 49 Buz's home
- 50 Ken-L. Ration competitor
- 60 Lackland, e.g.
- 61 Rod
- 62 Does penance
- 64 The housewife in "Diary of a Mad Housewife"
- 66 Decree
- 69 Way out of the public eye
- 70 "Get outta here!"
- 72 Either end of
- 73 Paris
- 74 Variety of herring
- 77 Trump
- 78 Weather whipping boy
- 79 Soaked
- 82 Awakening
- 84 Santa —
- 88 Penultimate word of Warner cartoons
- 89 Like the sound of a gong
- 91 Big type
- 94 Castro's predecessor
- 95 Kind of spoon
- 96 Went through channels?
- 103 Squints (at)
- 105 Sad music
- 106 "Gig" composer
- 107 "Live"
- 108 Venomous ones
- 109 Gather
- 110 —down
- 111 —down
- 113 Miss in a 1934 song
- 114 Sound before "Yeah, yeah"
- 116 Palindromic diarist
- 117 U.S. Army medal
- 119 Words of understanding
- 120 Org. in the Mappletorphe brochure
- 121 Newsmaking 60's grp.



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### Solution to Puzzle of July 25-26

ACROSS  
1 COURT CONFERENCE  
8 CAKES OF A SORT  
13 GOTHAM CITY DO-GOODER  
19 IT BEGAN AROUND 1100 B.C. IN EUROPE  
20 FIRES  
21 IN A NEW YORK MINUTE  
22 1980'S  
23 MONUMENTAL  
25 1996 TONY WINNER  
26 TIGHT  
27 YOU WOULDN'T WANT TO BE CAUGHT IN ONE  
28 BEAR  
29 SINGER IN A FIELD  
30 "WARNER, FAULKNER WOMAN"  
33 GERMAN ELECTRICITY-PRODUCING CITY  
35 BASEBALL STATE  
36 PHOTOGRAPHER GOLDEN  
37 SILENT  
38 TIN PAN ALLEY ORG.  
44 NONCASH DEPOSIT  
46 LITERARY  
48 —RAN  
49 SEASONAL OCCURRENCE  
51 COMPONENTS OF SOME CAMPAIGNS  
52 COUNTRY CLUB FIGURE  
53 PICK  
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55 FIELDS OF ACTIVITY  
57 CERTAIN TURN-ON  
58 "O FOR A THOUSAND TONGUES" COMPOSER  
59 CHANGES A LIFE LIVING, E.G.  
61 NOT STACCATO  
62 FRENCH F.B.I.  
63 CRITIC  
64 FOURSOME  
71 WHITE WINE APERITIF  
72 NATIVE-BORN ISRAELI  
75 FENWAY PARK  
76 THEIR WORDS ARE DIVINE  
80 GET VIA ROVING EYES  
81 OUTWITS  
83 TWO-MEX ANACHRONISM  
85 "ELMORE" ROCK GROUP  
86 BICKERING IN THE "ILLAD"  
87 —DE  
88 "WE THE WORLD"  
90 ROCKY MOUNTAIN PASS  
92 BANKROLLS  
93 COURT FOURSOME  
96 DEDICATED  
97 SYMBOLS OF OBSTINACY  
98 "DOCTOR ZHIVAGO" SETTING  
100 ONE OF OPHELIA'S FLOWERS  
101 TENNIS LEGEND LACOSTE  
102 SUPER BOWL  
103 "ELMORE" ROCK GROUP  
104 SOME PUBLIC NERUDA WORKS  
106 ENTERS CYBERSPACE  
108 DUCHAMP CONTEMPORARY  
111 "THE CRYING GAME" STAR  
112 HOME OF EPHESUS  
114 CORN  
115 TV FOURSOME  
118 ANIMAL FOURSOME  
122 WHAT ONE PLUME WRITER ON  
123 SCROOGE-LIKE  
124 RUSTLED  
126 BRAHMAN, E.G.  
127 SPANISH SAINT AND NAMESAKE  
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2 DANDER  
3 EDMUND O'BRIEN FILM NOIR, 1950  
4 CONSIGNS  
5 BUNDLES  
6 MULDER OF "THE X-FILES," FOR ONE  
7 WORD WITH CURE OR ROOM  
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9 OVERDID THE FLATTERY  
10 JOLLY ROGER FEATURE  
11 LIKE RADIO CITY MUSIC HALL  
12 LATVIA, ONCE: ABBR.  
13 ELLINGTON CONTEMPORARY  
14 GREEK MINERVA  
15 NURSERY RHYME BOY  
16 ALPHABETICAL FOURSOME  
17 PREFERS WITH PHOBIA  
18 INDIGENCE  
20 TOTAL  
24 OVERCOATS  
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30 PALMER WAS ONE  
31 YULETIDE FOURSOME  
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34 NOTED ALPINE TUNNEL  
36 LIKE MISS CONGENIALITY  
38 CRIES ON SEEING A CUTE BABY  
40 LIKE "THE BONFIRE OF THE VANITIES"  
41 LUCKY FOURSOME  
42 IT MAY BE FIXED  
43 OUTER GROUP  
45 BILLS PAID IN ITALY  
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47 SIGNS OF APPROVAL  
49 BUZ'S HOME  
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60 LACKLAND, E.G.  
61 ROD  
62 DOES PENANCE  
64 THE HOUSEWIFE IN "DIARY OF A MAD HOUSEWIFE"  
66 DECREE  
69 WAY OUT OF THE PUBLIC EYE  
70 "GET OUTTA HERE!"  
72 EITHER END OF  
73 PARIS  
74 VARIETY OF HERRING  
77 TRUMP  
78 WEATHER WHIPPING BOY  
79 SOAKED  
82 AWAKENING  
84 SANTA —  
88 PENULTIMATE WORD OF WARNER CARTOONS  
89 LIKE THE SOUND OF A GONG  
91 BIG TYPE  
94 CASTRO'S PREDECESSOR  
95 KIND OF SPOON  
96 WENT THROUGH CHANNELS?  
103 SQUINTS (AT)  
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106 "GIG" COMPOSER  
107 "LIVE"  
108 VENOMOUS ONES  
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111 —DOWN  
113 MISS IN A 1934 SONG  
114 SOUND BEFORE "YEAH, YEAH"  
116 PALINDROMIC DIARIST  
117 U.S. ARMY MEDAL  
119 WORDS OF UNDERSTANDING  
120 ORG. IN THE MAPPLETORPHE BROCHURE  
121 NEWSMAKING 60'S GRP.

## Cleveland Takes Seattle in 17 Innings

The Associated Press

Ken Griffey hit his 41st homer in the fifth, and Alex Rodriguez became the first player in Mariner history to hit 30 home runs and steal 30 bases in the same season, but Seattle still lost a wild game, 9-8, to Cleveland in 17 innings.

The biggest hit Wednesday came from Manny Ramirez, who hit a three-run homer in the top of the 17th inning to give Cleveland a 9-6 lead.

Seattle scored two runs in the bottom of the 17th and had the bases loaded with one out, but Charles Gipsen grounded into a force play at the plate and Rico Rossy struck out on three pitches.

After the game, Randy Johnson, the Mariner star pitcher, who was widely expected to be traded before the mid-

night Friday deadline, quickly dressed and left the clubhouse without talking to the press or team-mates.

Yankees 3, Angels 0 Tino Martinez singled home two runs after Rich DeLucia walked with the bases loaded and

### AL ROUNDUP

Chad Curtis followed with a sacrifice fly as the Yankees won in Anaheim.

Andy Pettitte and Chuck Finley, two of baseball's premier left-handers, battled on even terms through seven innings. Pettitte scattered seven hits, struck out four and walked three. Finley allowed four hits and struck out nine in eight innings.

Blue Jays 1, Rangers 0 In Toronto, Juan Guzman pitched eight innings, and Randy Myers finished the job.

"I've been thinking that this was my last game," said Guzman, like Myers the subject of trading rumors. "I'm going to miss this place because, can you imagine, I've been here eight years, all my friends, plus this is one of the best organizations there is."

Athletics 6, Red Sox 5 In Oakland, Matt Stairs hit a two-run homer, and Kenny Rogers got his 11th victory as the Athletics snapped a nine-game losing streak.

Royals 7, Twins 3 Tim Lincecum (10-9) allowed four hits, and Dean Palmer homered and hit a run-scoring single as the Royals beat visiting Minnesota.

Orioles 6, Tigers 4 Eric Davis hit two homers, including a tie-breaking two-run shot in the seventh inning, as Baltimore completed a sweep in Detroit.

## Daal Gives Diamondbacks Shutout

The Associated Press

Omar Daal pitched the first complete-game shutout in the Arizona Diamondbacks' brief history.

The Diamondbacks won the game, 4-0, against the Chicago Cubs on Thursday. Not much else has gone right in the first four months of the Diamondbacks' existence. Their 39-69 record is the second-worst in the National League, ahead only of the talent-stripped Florida Marlins.

Daal pitched a four-hitter, struck out seven and walked three.

Chicago loaded the bases with two outs in the sixth. But Daal, who threw 126 pitches, struck out Glenallen Hill on three pitches to end the inning.

Devon White, in what might be his last game for Arizona, drove in two runs with a home run and two singles batting

out of the cleanup spot. He is considered a prime candidate to be traded by Friday night's deadline. White hit his 15th homer onto the swimming pool deck in right field leading off the third, giving Arizona a 3-0 lead.

Braves 13, Reds 3 In Cincinnati, Gerald Williams and Andrew Jones each

### NL ROUNDUP

homered and drove in three runs for the Braves. Denny Neagle (11-9) gave up five hits in eight innings as the Braves completed a 7-2 road trip.

Marlins 4, Astros 3 In Houston, Liván Hernandez pitched a five-hitter, and Cliff Floyd hit a three-run homer as Florida avoided a sweep.

Dodgers 3, Phillies 1 Chan Ho Park

allowed only two hits in eight innings as Los Angeles won in Philadelphia.

Padres 3, Mets 1 In New York, pinch-hitter Carlos Hernandez doubled in two runs in the 10th as San Diego won for the 11th time in 14 games and broke a two-game losing streak.

Cardinals 3, Brewers 2 In St. Louis, Pat Kelly kept up his hot hitting while batting out of the ninth spot, driving in two runs as St. Louis snapped Milwaukee's four-game winning streak.

Mark McGwire failed to hit a homer for St. Louis, but picked up his major league-leading 11th walk.

Expos 12, Giants 6 In Montreal, Vladimir Guerrero homered for the second straight game — his team-record 11th in July — and Brad Fullmer added a two-run homer to lead the Expos.

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DAVE BARRY

## Face It, You're Fat

MIAMI — Today I have an extremely important topic to discuss with you, but before I decide what it is, I need to "set the record straight" on something:

In a recent column, I made a statement that turned out to be inaccurate. Yes. Although the error was corrected by a few alert editors, many newspapers, tragically, did not catch it.

My statement was that Gleen toothpaste used to have an ingredient called "Cardol," which created an Invisible Protective Shield that deflected baseballs. This is simply not true. It was actually COLGATE toothpaste that had Cardol. I am not sure what Gleen had in the way of a cavity-fighter. I know it wasn't Bucky Beaver, because he was affiliated with Ipana toothpaste, although eventually he developed a drinking problem and wound up working in porno cartoons. I'm thinking maybe Gleen had that obnoxious little tooth who was always getting tied to the railroad tracks by Mister Tooth Decay. But I don't want to speculate on this until I have all the facts.

### 'Why do journalists make up sources and quotations?'

same level of public trust as Charles Manson — recently had a series of embarrassing incidents in which writers for respected magazines and newspapers simply made up quotations and sources. The most prominent example was The Washington Post, which on June 24 was forced to print a front-page statement admitting that there is not, nor has there ever been, any "Marion Barry."

In an effort to find out what's behind this disturbing trend of reporters inventing sources, I interviewed the president of The American Association of Journalists, Warren P. Cormorant Jr.

"Why do journalists make up sources and quotations?" Cormorant asked rhetorically, as he leaned back in his worn leather chair and idly scratched his scalp with a Dorito shard. "I'll tell you why. Because when we interview real people, they talk too fast for us to write it down, plus they never say anything interesting. I know for a fact that Kenneth Starr is a hermaphrodite."

Be that as it may, my point is that this column is dedicated to giving you, as accurately as possible, the information that you need to lead an informed, productive and happy life, which is why today I am pleased to report that, according to guidelines recently adopted by the federal government regarding body weight, the odds are that you, personally, are a big wad of fat.

Perhaps you are wondering why the federal government, an institution that encompasses not only Newt Gingrich, but also both of President Clinton's thighs, is setting standards for body weight. The answer can be found in the U.S. Constitution, which states that the primary function of the government is, quote, "to constantly think up rules and guidelines that no real person can understand, let alone follow." The shining federal example is of course the Internal Revenue Service, which has done such a fine job that as of 1997, only nine U.S. citizens were in full compliance with all tax regulations, and six of those people perished while undergoing the IRS's new "Jungle Challenge" auditing program.

So anyway, several years ago, the National Institutes of Health was alarmed to discover that, under the federal body-weight guidelines, only one-third of all Americans were classified as overweight. This meant that a shocking TWO-THIRDS of Americans were within federal weight guidelines, which is a flagrant violation of federal guidelines regarding federal guidelines. And so the NIH convened a panel of experts and they came up with a new, much stricter, set of guidelines, under which, to quote the NIH report, "basically every U.S. citizen, living or dead, is classified as overweight except the woman who plays Monica on 'Friends.'"

But the point is that if you're an American, you're overweight. The question is: Who is responsible? I interviewed the U.S. Surgeon General about this, and he or she told me: "I blame food. It's everywhere! Some mornings I wake up and there are Snickers bars in bed with me! I'm taking up smoking."

You may rest assured that we here in journalism will keep you updated on this important story until we get bored with it later today. Meanwhile, we ask that you help "keep us on our toes" by reporting any inaccuracies you find in this column, or anywhere else, to the publisher of this newspaper, Citizen Kane. Who by the way could stand to lose a few kilograms.

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## A 'Bottomless' Movie: Bad Kids in a Bad Time

By Joan Dupont  
International Herald Tribune

AVIGNON, France — Seoul, with its high rises and toiling businessmen, workers, and students, may look like the capital of overachievers. Jang Sun Woo's "Timeless, Bottomless, Bad Movie" reveals the city's underbelly, its drop-outs, up to no good. Jang, considered one of Korea's leading directors, says he gave the movie its title because, "an English journalist suggested I call it 'Timeless,' since these kids live day to day, another said I should call it 'Bottomless,' because they have no place to squat. And it's a bad movie about bad kids. 'Bad Movie' is the title in Korea."

At Avignon, a retrospective of Korean and Taiwanese films was selected by Jean-Michel Frodon, a critic with Le Monde, who introduced the uncensored version of Jang's film as "a very good bad movie."

"Bad Movie" is a slangy, upside-down inside-out documentary style "Three Penny Opera," scripted by and starring a group of runaway kids. Nothing quite like it has come out of any other country, East or West. "I put up tracts to recruit the kids with a story in mind, but when I found them, I gave up my script and let them tell their own stories," Jang said. "During the six months of shooting I felt more like a soccer coach than a director."

Using a hand-held camera and other video and animation techniques, he closed in on the convulsed antics of seemingly fearless delinquents — their drug parties, group raids and a gang rape. He cut the stories into chapters, and gave each a heading that rings like a thriller, such as, "Getting Rid of Bird-Brain."

"English is our second language of course," Jang said, "yet the kids who have these nicknames speak it strangely, and I don't really speak it at all."

"I made this movie with my son



Jang Sun Woo: "I felt more like a soccer coach than a director."

in mind: He was 18 then and could only think about his entrance exams. I felt sorry for him — there's so much to see in the world and he could only study. He succeeded his exams and came on the movie, composing music, and got along with these kids."

Jang, 46, is a shy man who blushes easily and talks with diff-

iculty about his nine films, each different from the last, lyrical and spiritual to raw and tough, like a bunch of stray kids. He tends to call them bad and boring. "I, too, am footloose, and, after each movie, I have to make something completely different."

His disparate films reflect the divisions of his country, the pulls

of tradition, communism, capitalism and deeply embedded Buddhist philosophy.

In a Jang movie, reality bites; even in a bucolic meditation like "Search for Buddha" (1993), about a young orphan on the loose, he shoots scenes of unbridled sexuality. He shocked again with "The Petal" (1996), on the infamous May 1980 Kwangju massacre, told through the eyes of a girl who survived.

"It took me all these years to make 'The Petal,'" he says. "But I became a filmmaker because of the Kwangju massacre, and I vowed that some day I would make a movie that dealt with the tragedy."

In 1980, Jang, an archaeology student at Seoul University, was arrested and tortured for spreading leaflets about Kwangju, where hundreds of civilians protesting the military coup d'etat were killed under the orders of General Chun Doo Hwan, who later became president.

"I was a brilliant student," Jang said, "but I chafed under the system, so I took to the road. Twice I was arrested and after a fight with knives I was placed in a detention center — that was very useful when I worked with the kids, they were impressed."

South Korea, he feels, is under the sway of too many ideologies, "economic, democratic, conservative, and Confucian — it's a moral, hierarchic society. We had the Japanese occupation, and since the Korean War, we've had to live with the American military. So we are always searching for our cultural identity."

In "Timeless, Bottomless, Bad Movie," the kids dye their hair orange, invent their own martial arts, knife, kick, punch, burn, turn on each other. In Seoul's orderly metro, each has a way of taking on the turnstile: One jumps, another ducks, a third does a hip-hop dance. They are tricksters, beggars, prostitutes and thieves.

"Yet I found these kids to be sweet and free, not that bad. And

after the film, they started to think of their future. I was a bad influence," he laughs "because now they're all preparing university entrance exams. They've changed. I think that when you get interested in kids, it changes them."

The lost child, the outsider, has often been Jang's storyteller. Adapting the Buddhist allegory of Hwa Om Kyung, in "Search for Buddha" a boy forages the countryside, eating in the mud, drinking polluted water; he is beaten and jailed, then embraced and loved by an older woman.

"In Buddhist imagery, the lotus is in the mud; the image of the petal too is from the lotus. And you could say that Korea is in the mud. Most religions avoid sex, but in Buddhism, you have to confront sexual desire to achieve wisdom. Even though I don't practice, I have a lot of Buddhist monk friends and love to travel with them. I probably became a filmmaker instead of becoming a monk."

Jang's films, unreleased abroad, make a stir at such festivals as Cannes and Berlin. "Bad Movie" was shown at Pusan and Tokyo and will be shown at Sarajevo and at Montreal this fall. "I went to the San Francisco Festival and to Hawaii, and I felt good there, but America and Korea have a heavy history. During the '80s there was a strong anti-American movement in Korea; many young people killed themselves in protest to U.S. military rule."

And he is aware that Americans have a negative image of Koreans, as if they were somehow more mercantile, less interesting — and less beautiful — than their Asian neighbors.

The first wave of immigrants to the U.S. was poor which may have contributed to that image; this generation is different. In Korea, the young people contradict the previous generation. My films, too, contradict the previous generation; I believe in the new generation. And I think that Koreans are the most beautiful."

## PEOPLE

sort of thing," the producer, Walter Shenson, said. The black-and-white movie encapsulates Beatlemania and inspired the era of music videos.

Leonardo DiCaprio made one young woman's wish come true. "Titanic" heartthrob has paid a private visit to Sang Lan, the 17-year-old Chinese gymnast who was paralyzed at the Goodwill Games in New York. Sang, who has been nearly immobile since she broke her neck last week during a warmup vault, revealed this week that she'd love to meet the 23-year-old actor. DiCaprio visited his fan at a Manhattan rehabilitation clinic. The two met alone for about an hour.

The gangsta rap critic C. Delores Tucker has filed a multimillion-dollar defamation lawsuit against dozens of newspapers and media outlets, accusing them of distorting claims she made against the estate of the late rapper Tupac Shakur. Tucker, who claimed Shakur's

lyrics contained lewd references to her, said news outlets erroneously reported that she and her husband had filed suit against Shakur "on the sole basis that lewd lyrics destroyed their sex lives." Tucker has said the loss referred to the 1997 suit had nothing to do with sex, but with "advice, society, companionship, i.e., defendants' effect upon the family union." The suit demands \$1 million from each of 130 defendants.

Douglas Gordon, a film and video artist from Glasgow, has won the Hugo Boss Prize. The \$50,000 prize is sponsored by the Guggenheim Museum and the men's wear company.

Fans will find a new place to dwell in the heart of Elvis Presley country when the Heartbreak Hotel officially opens next spring in Memphis, Tennessee. Elvis Presley Enterprises bought a hotel near Presley's Graceland mansion and will give it a new theme based on his first million-selling album.



SIGHTSEERS — The Spanish soprano Monserrat Caballe, in Moscow for a benefit concert, and her daughter, Monserrat Marti, visiting the Kremlin.

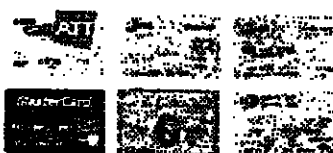


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